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Canada. Royal. commission on publications.

Hearings, v. 12-13, 1960.

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ROYAL COMMISSION ON

Publications

HEARINGS

HELD AT

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VOLUME No.:

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OFFICIAL REPORTERS

ANGUS, STONEHOUSE & CO. LTD.

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ANGUS, STONEHOUSE & CO. LTD.
TORONTO, ONTARIO

ROYAL COMMISSION ON PUBLICATIONS

Proceedings of hearings held in
Province House, in the City of
Halifax, Nova Scotia, on the 30th
day of November, 1960, at 10 a.m.

COMMISSION:

M. GRATTAN O'LEARY Chairman

J. GEORGE JOHNSTON Member

CLAUDE P. BEAUBIEN Member

P. MICHAEL PITFIELD Secretary

G.H. QUINN Administrative
Officer



--- On commencing at 10 a.m.

THE SECRETARY: The following is the text of a Commission appointing Mr. Grattan O'Leary, Esquire, John George Johnston, Esquire, and Claude P. Beaubien, Esquire, to be Commissioners under Part I of the Inquiries Act to inquire into and report upon the recent and present position of and prospects for Canadian magazines and other periodicals. M. Grattan O'Leary, Esquire, to be Chairman of the said Commissioners.

Dated 27th September, 1960.

Recorded 30th September, 1960.

Film 98 - Document 163.

Signed by F. Weatherhead,
for Registrar General of Canada.
Reference No. 163102.

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Canada and Her other realms and Territories QUEEN, Head of the Commonwealth, Defender of the Faith.

TO ALL TO WHOM THESE Presents shall come or whom the same may in anywise concern,

GREETING:

WHEREAS pursuant to the provisions of Part I of the Inquiries Act, Chapter 154 of the Revised Statutes of Canada, 1952, His Excellency the Governor in Council, by Order P.C. 1960-1270 of the sixteenth day of September, in the year of Our Lord one thousand



1
2 nine hundred and sixty, a copy of which is hereto
3 annexed, has authorized the appointment of Our Commis-
4 sioners therein and herinafter named to:

5 (a) inquire into and report upon the
6 recent and present position of and prospects
7 for Canadian magazines and other periodicals
8 with special but not exclusive consideration
9 being given to problems arising from
10 competition with similar publications which
11 are largely or entirely edited outside of
12 Canada or are largely or entirely foreign
13 in content; and
14 (b) make recommendations to the government
15 as to possible measures which, while
16 consistent with the maintenance of the
17 freedom of the press, would contribute
18 to the further development of a Canadian
19 identity through a genuinely Canadian press,
20 and has conferred certain rights, powers and privileges
21 upon Our said Commissioners as will by reference to the
22 said Order more fully appear.

23 NOW KNOW YE that, by and with the advice of
24 Our Privy Council for Canada, we do by these Presents
25 nominate, constitute and appoint M. Grattan O'Leary,
26 Esquire, of the City of Ottawa, in the Province of
27 Ontario; John George Johnston, Esquire, of the City
28 of Toronto, in the Province of Ontario; and Claude
29 P. Beaubien, Esquire, of the City of Montreal, in the
30 Province of Quebec, to be Our Commissioners to conduct



1
2 such inquiry.

3 TO HAVE, hold, exercise and enjoy the said
4 office, and trust unto the said M. Grattan O'Leary,
5 John George Johnston, and Claude P. Beaubien,
6 together with the rights, powers, privileges and
7 emoluments unto the said office, place and trust of
8 right and by law appertaining during Our Pleasure.

9 AND WE DO hereby authorize Our said
10 Commissioners to exercise all the powers conferred
11 upon them by section 11 of the Inquiries Act and be
12 assisted to the fullest extent by government depart-
13 ments and agencies.

14 AND WE DO hereby authorize Our said Commis-
15 sioners to adopt such procedure and methods as they
16 may from time to time deem expedient for the proper
17 conduct of the inquiry and sit at such times and at
18 such places in Canada as they may decide from time to
19 time.

20 AND WE DO hereby authorize Our said Commis-
21 sioners to engage the services of such counsel, staff
22 and technical advisers as they may require at rates of
23 remuneration and reimbursement to be approved by the
24 Treasury Board.

25 AND WE DO hereby require and direct Our said
26 Commissioners to report their findings to Our Governor
27 in Council with all reasonable despatch and file with
28 the Dominion Archivist the papers and records of the
29 Commission as soon as reasonably may be after the
30 conclusion of the inquiry.



1
2 AND WE FURTHER appoint M. Grattan O'Leary,
3 Esquire, to be Chairman of Our said Commissioners.

4 IN TESTIMONY WHEREOF we have caused these
5 Our Letters to be made patent and the Great Seal of
6 Canada to be hereunto affixed.

7 WITNESS:

8 The Honourable Patrick Kerwin, Chief Justice
9 of Canada and Deputy of Our Trusty and
10 well-beloved Major-General George Philias
11 Vanier, Companion of Our Distinguished
12 Service Order upon whom We have conferred
13 our Military Cross and Our Canadian Forces'
14 Decoration, Governor General and Commander-
15 in-Chief of Canada.

16 AT OTTAWA, this twenty-seventh day of
17 September in the year of Our Lord one thousand nine
18 hundred and sixty and in the ninth year of Our Reign.

19 BY COMMAND,

20 Signed by C. Stein

21 Under Secretary of State

22 THE CHAIRMAN: It remains only for me to
23 thank the Government of Nova Scotia for having placed
24 this historic chamber at our disposal while here, and
25 to welcome the participants. We are confident you have
26 many things to say to us which will be of value, and
27 we would like to assure you that whatever you say to
28 us will get the utmost of our study and attention.

29 The Premier is coming in in a moment to say
30 a word to us, and we will wait until he arrives before



1
2 proceeding.

3 HON. R.L. STANFIELD, Q.C.: Mr. Chairman
4 and members of the Commission, I don't want to intrude
5 on your proceedings, and I am not just sure what stage
6 of the proceedings you are in, but I would like to
7 extend a welcome to you to the Province, if this is
8 the appropriate time to do so.

9 I would like to welcome you here most
10 sincerely, and I know a little more about you, Mr.
11 Chairman, than about your colleagues; but, it is a
12 pleasure to welcome men of such distinction to the
13 City and to the Province.

14 You may find -- and I am not sure -- that
15 perhaps there will not be so many appear before you
16 from our Province as has been the case in certain other
17 Provinces. I do not think this is any indication there
18 is any lack of interest in Nova Scotia in the subject
19 matter of your Commission. We have here in this region
20 some distinguished publications, but it may be they
21 are not in such keen competition with foreign journals,
22 although I am only guessing to this extent -- perhaps
23 not such keen competition as some of the more popular
24 magazines in other parts of the country. For this
25 reason perhaps this topic is not of such exciting
26 interest here as it is in some other parts of the
27 country, because it may be that the periodicals that
28 are most in danger are some thousand miles from here.
29 Of course, I am only guessing in that regard.

30 I would like to emphasise, Mr. Chairman, that



1 I am sure the people of this Province regard the
2 subject of the Commission as one of great importance.
3 We realise the preservation of Canadian publications
4 is related to some extent to even the question of
5 independence, and certainly the development of the
6 Canadian approach to literature and allied matters, and
7 I think, above all, as a medium of publication for
8 Canadian writers. So, we are interested indeed in the
9 work of your Commission and want you to feel we consider
10 it a matter of importance.

11 I cannot offer any enlightenment to you with
12 regard to your problem, but I hope I will not say
13 anything that will increase your difficulties in any
14 regard. I would like to say I hope whatever remedy is
15 there required that it will not result in an increased
16 cost of foreign publications for the ordinary reader.
17 I realise there is a certain amount of junk comes into
18 the country from outside our borders; there are also
19 some good publications, and, if I may say so, it is
20 important we know what is going on in our own country,
21 and next to that, perhaps, it is important we understand
22 what is going on in the great nation to the south of us,
23 and I would hope we would always be interested in
24 getting firsthand information on that topic and not
25 simply be content to read what other Canadians say
26 about what is going on down there, because I think
27 that is a little different and in some respects second
28 best. So, I would stress that while we feel it is
29 important that Canadian publications remain in a
30



1
2 vigorous state of health we would hope whatever policy
3 is adopted to ensure this would not increase the diffi-
4 culties of ordinary Canadians in reading foreign publi-
5 cations of their choice.

6 So, Mr. Chairman and gentlemen, I do most
7 sincerely welcome you to the Province, and I hope some
8 of my fellow citizens will be able to throw a little
9 more light on the problem and be a little more helpful
10 than I am able to be. Thank you very much indeed.

11 THE CHAIRMAN: Mr. Premier, before you came
12 in I had already thanked the Government of Nova Scotia,
13 and I repeat it now, for providing us with this historic
14 chamber, and we would like to thank you, sir, for
15 having taken the time to come out and welcome us here
16 and to speak these gracious words you have spoken, and
17 also those wise words you have spoken about the work
18 we have to do and the manner in which we should conclude
19 it.

20 You mentioned perhaps there was not the
21 interest here that we may have encountered in other
22 parts of Canada in the work we are doing: I would like
23 to assure you, sir, we would be very sorry indeed to
24 engage ourselves in anything concerning the way and
25 spirit of Canada without coming to these Atlantic
26 Provinces which have made such a great contribution,
27 perhaps their main contribution to the Canadian spirit
28 and Canadian way, and certainly we feel very much at
29 home. Indeed, I did this morning when I drove up here
30 and passed by the statue of Joseph Howe, a man whose



1 name and fame is so much connected with the printed
2 word, and, after all, it is with the printed word, that
3 it is good or evil, that we are mainly concerned.
4

5 Thank you again, sir, for coming and giving
6 us these very gracious words of welcome.

7 HON. R.L. STANFIELD, Q.C.: Thank you very
8 much, Mr. Chairman.
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Submission of The Atlantic Advocate

Appearances: Mr. Michael Wardell, President

MR. WARDELL: Gentlemen of the Royal Commission, I appear before you to represent The Atlantic Advocate which is the only "consumer" magazine published in the Atlantic area. For record I give some description of it. The Atlantic Advocate is wholly owned by Brunswick Press Limited, a company incorporated under the laws of the Province of New Brunswick, a wholly owned subsidiary of University Press of New Brunswick Limited, a company capitalized at \$1,400,000 incorporated under the laws of New Brunswick, and of which I, John Michael Stewart Wardell, own the controlling shares.

My company has four divisions, (1) the newspaper division which owns and publishes The DAILY GLEANER; (2) the magazine division which publishes THE ATLANTIC ADVOCATE and the annual ATLANTIC ALMANAC; (3) the book division, which has published 127 titles, including our present 1960 Fall list, Sholto Watt's I'LL TAKE THE HIGH ROAD, Dr. Clarke's SIX SALMON RIVERS, Dr. Engel's THE PROBLEM OF TRAGEDY, and James Wentworth Day's NEWFOUNDLAND--THE FORTRESS ISLE; and (4) the printing division, UNIPRESS, which prints and binds our products and carries on a general printing business in letterpress and lithography.

Our sales turnover exceeds \$1½ million per year, and is substantially rising in all divisions. I mention this as evidence that we are making a practical



1 contribution to the Maritime economy.

2
3 The Atlantic Advocate incorporates The Mari-
4 time Advocate, which was established in 1910 as The
5 Busy East, and Atlantic Guardian, which was previously
6 published in Newfoundland.

7 The Maritime Advocate was bought after the
8 death of its founder, Doctor Abbot from the executors,
9 and the Atlantic Guardian from the publishers in
10 Newfoundland.

11 Three quarters of the circulation of The
12 Atlantic Advocate is within the four Atlantic Provinces,
13 and 85 per cent of its entire sales are by subscription.

14 The current circulation figures are given
15 below, and represent an over-all increase of 19 per cent
16 over the past six months.

17 Atlantic Provinces	17,457	(76 per cent)
18 Quebec & Ontario	3,116	(13.6 per cent)
19 Western Canada	858	(3.7 per cent)
20 United States	1,182	(5.1 per cent)
21 Overseas	<u>369</u>	(1.6 per cent)
	<u>22,982</u>	

22 The aim of The Atlantic Advocate is to promote
23 the welfare of the Atlantic Provinces, believing that
24 a prosperous Atlantic region would enrich Canada; and
25 to provide an outlet for the literary talents that
26 abound in the Atlantic area of Canada.

27 Among the contributors to The Atlantic
28 Advocate are: David Walker, Charles Bruce, Thomas H.
29 Raddall, Dr. George Frederick Clarke, Dr. Frank MacKinnon.
30



Dr. F. Fraser Bond, Dr. Desmond Pacey, Dr. Fred Cogswell, Professor David Galloway, Dr. Will R. Bird, Ernest Buckler, Barbara Grantmyre, Bruce S. Wright, Albert B. Perlin, Michael F. Harrington, Phyllis R. Blakeley, H. Shirley Fowke, Harold R. Hatheway, Lorne C. Callbeck, Jack Golding, Jean E. Sereisky, Mrs. Vera Ayling, Robert A. Tweedie, Fred H. Phillips, and many other writers of the four Atlantic Provinces.

The Atlantic Advocate fills a need, and it therefore, to some extent, occupies a protected position.

It is obvious that many people want to read the magazine, and for them there is no alternative competitor from Canada or the United States. Similarly, for the advertiser, The Atlantic Advocate offers an incomparable advantage to those who wish to cover the four Atlantic Provinces. While for national coverage across Canada The Atlantic Advocate is competitive in its rates with the mass circulation magazines, it is, on average, ten times cheaper than other magazines in terms of cost per page per 1,000 Atlantic area readers.

The following figures illustrate this statement:

Magazine	Canadian Circulation	Page Cost B&W	Cost per 1000 Readers	Atlantic P. Circulation	Cost per 1000 Atlantic Readers
Reader's Digest	1,060,752	4,305.00	4.06	69,534	61.94
Time	222,997	2,020.00	9.60	18,607	108.60
Chatelaine	881,006	5,720.00	6.49	85,248	67.13
Liberty	591,239	3,155.00	5.33	78,694	40.09
Macleans	524,815	4,265.00	8.12	44,210	96.49
Canadian Homes & Gardens	135,035	1,970.00	14.59	9,240	214.13
Saturday Night	77,250	780.00	10.10	6,034	130.00
Atlantic Advocate	22,982	184.00	8.06	17,457	10.54
<hr/>					
Average other than AA.....			\$8.32.....	\$102.62	



1
2 The fact that The Atlantic Advocate has a
3 reason for existence and that it is growing and
4 thriving profitably as an independent publication should
5 not lead to the assumption that it was a simple task to
6 establish it. The cost of establishing the magazine
7 upon a paying basis, including the cost of the titles
8 and goodwill of The Maritime Advocate and Atlantic
9 Guardian, was over \$140,000.00. The year ending March
10 31, 1961, its fifth year, will be the first year in
11 which the magazine has been published profitably.

12 One of the reasons that a publication may be
13 costly to launch in spite of a successful reception
14 from both readers and advertisers is that a magazine
15 such as The Atlantic Advocate costs much more per copy
16 to produce than the amount received from the reader for
17 its purchase. The balance is received from the adver-
18 tiser; but when a rate is set for a circulation that is
19 in fact soon exceeded, a loss is made which grows in
20 direct ratio to the success of the publication.

21 Contracts must elapse before the advertising rate can
22 be adjusted in relation to the increased circulation.

23 The cost of establishing publications is
24 nothing new, and if it were not the usual experience,
25 there would be no value in the goodwill of an established
26 and profitable magazine or newspaper.

27 The somewhat protected field which The
28 Atlantic Advocate occupies does not blind me to the
29 volume of competition facing Canadian periodical
30 publishers.



On November 24th, the day that this submission was prepared, a survey of the main newsstands in Fredericton disclosed that there were 301 different magazines on sale.

The following is a breakdown of them:

U.S. magazine titles	253
United Kingdom titles	18
Polish title	1
Canadian titles: English	17
French	12
	29

In the above figures, Reader's Digest and Time are counted Canadian, as which, in my opinion, they must be ranked.

Very few of the U.S. publications have substantial sales. So far as I can ascertain from the records which are available, the total number of U.S. periodicals sold in the Atlantic area is 375,000, compared with 566,000 Canadian publications.

The Canadian total includes:

Reader's Digest	69,534
Time	18,607
Weekend and Star Weekly	234 683

The two last named must be considered as magazines rather than newspapers, although Weekend is distributed by newspapers as a supplement.

It is a tribute to the genius of John J. McConnell that this brilliantly contrived weekly magazine has been harnessed to the newspapers from coast to coast, so that they carry their most dangerous



1 competitor with an unconscious tolerance seldom equalled
2 since the Trojans admitted the horse into their city.

3
4 No consideration of the present position of
5 Canadian periodicals is valid which disregards this
category, which had so spectacular a success.

6
7 In reading my representatives' reports, I am
8 constantly reminded of the number of national advertisers
9 who rely for their coverage of New Brunswick, for
10 example, on their advertisements in Weekend.

11 Here in Nova Scotia The Halifax Herald does
12 not carry it. Neither do I in The Gleaner; but I must
13 confess I could not even if I wished, because Mr. K.C.
14 Irving's newspapers published in Saint John and Moncton
15 have the monopoly for Weekend in New Brunswick.

16 One other point about the figures is that,
17 rightly or wrongly, we counted a rather unsavoury
18 quartet called Hush, Tab, Midnight and Flash as
19 periodicals. Whatever category they may belong to, it
20 is hard to see how they advance Canadianism; and their
21 existence is a reminder that publications of this sort
22 would flourish like toadstools behind a tariff barrier,
23 in the absence of censorship, which, I believe, no one
24 recommends.

25 I have discussed with several leading adver-
26 tising agents the question of advertising in relation
27 to foreign competition, and their views may be summa-
28 rised by the opinion expressed by Mr. C.E. Brown on
29 behalf of the MacLaren Advertising Company. It is
30 that the purpose of an agency and its prime obligations



1 to its client is to advertise a product as efficiently
2 as possible in terms of cost and consumer attention.

3 While foreign magazines carrying Canadian
4 advertising which are written, edited, or printed
5 outside Canada, and foreign magazines printed with
6 split runs which import a regional edition into Canada,
7 threaten the stability of the Canadian magazine
8 industry, in the opinion of MacLarens, yet an agency
9 must, they say, recommend any of such foreign magazines
10 to its clients if it sees them as the best advertising
11 buy for the clients.

12 In that phrase is reflected the difficulty in
13 reconciling opposing interests. From one point of view
14 it is certainly desirable that Canadian advertisers
15 may advertise in the way that is the most efficient for
16 them. Similarly, the Canadian reader has an undoubted
17 right to read the magazine of his choice.

18 The argument that artificial impediments,
19 special taxes, or hindrances to trade, should be devised
20 for a xenophobic discrimination against Time or Reader's
21 Digest is, I believe, untenable and inconsistent with
22 the freedom of the press.

23 Reader's Digest is an international magazine
24 distributed throughout the world, printed in Canada,
25 and making a valuable contribution to the Canadian
26 economy.

27 Whether or not Canada is to impose any
28 restrictions on foreign shareholdings is a question
29 for the future; but there can be no case for special
30



1 restrictions being applied solely to magazines. And,
2 from a practical point of view, any burden placed upon
3 Reader's Digest could, no doubt, be passed on to the
4 advertiser by a raise in rates, which happened when
5 the 20 per cent advertising tax was imposed. This, to
6 my own knowledge and experience, had the result of
7 taking more dollars out of the Canadian advertising
8 pool, to the detriment of Canadian magazines, including
9 The Atlantic Advocate, which was then in its early
10 struggles.

11 The case of Time is somewhat different. Here
12 we have a weekly news magazine which has no Canadian
13 counterpart. That it is wanted is proved by its sales.

14 For myself, I regard it as part of the stock-
15 in-trade of a journalist. I could not do without it.
16 That is not to say I do not ever criticise it. I do,
17 from time to time, both verbally and editorially. I
18 get about the same satisfaction as a gnat biting an
19 elephant, but I enjoy it. It is my privilege as a
20 publisher, just as it is the privilege of the public
21 to buy it and damn it if they please. That is the
22 inalienable right of free people in relation to a free
23 press.

24 As to unfair competition, the great mass-
25 circulation publishers of Central Canada certainly
26 suffer some stiff competition from the United States.

27 There may be a tendency to dump surplus
28 American magazines in Canada; there is certainly a
29 misuse of Canadian mails which carry incoming American
30



1 periodicals which have paid a very cheap American
2 export rate, and carry also a huge tonnage of American
3 periodicals trucked into Canada for mailing at an even
4 lower rate. There is clearly a case for amending the
5 reciprocal postal arrangements between Canada and the
6 United States, and for overhauling our own internal
7 regulations.

8
9 Certainly, too, it is sad to see the whole
10 system of distribution and newsstand sale of Canadian
11 periodicals controlled from the United States.

12 That is deplorable, and a reproach to the
13 Canadian industry, and proportionately to me as a very
14 small part of it. It is certainly not a matter for
15 government intervention.

16 There are, as has been mentioned, areas which
17 appear to need adjustment. But there can be no possible
18 justification, in my opinion, for a general assault
19 upon American magazines, which would be nothing short
20 of an assault upon the freedom of the press, and would
21 set a precedent that should be combated at all cost.

22 The mass-circulation publishers of Central
23 Canada feel the pains of free competition from their
24 big brothers across the border. As a Maritime publisher,
25 I feel similar pains inflicted by my big brothers in
26 Toronto. All our Maritime manufacturing operations
27 suffer the same pains; and it is to be hoped that the
28 great Canadian publishers, wielding as they do so
29 powerful a weapon of propaganda, feeling their own
30 pains, will invoke more sympathy than heretofore for



1 Maritime manufacturers, whose sufferings, inversely,
2 are so similar to their own.

3 --- EXHIBIT NO. H.1: Submission of The Atlantic
4 Advocate.

5
6 COMMISSIONER JOHNSTON: Mr. Wardell, you
7 have certainly produced a brief unlike any other we
8 have had so far. Your position also is very peculiar
9 in that you are, as far as I can see from our enquiries
10 so far, the only one that is making any money this
11 year. At the testimony given in Ottawa the other week
12 there was a listing of the Canadian articles, or,
13 rather, articles produced by Canadians that ran in the
14 Reader's Digest, and your publication was mentioned
15 three times, and you received a material amount of
16 money for republishing?

17 MR. WARDELL: That I should like to categori-
18 cally deny. My magazine has never on any occasion
19 received any money whatsoever either from Reader's Digest
20 or Time, nor have I or anybody associated with my
21 publications.

22 COMMISSIONER JOHNSTON: Have the authors of
23 those articles?

24 MR. WARDELL: They would be paid for articles
25 which appeared in Reader's Digest, yes. If an article
26 appears in a Canadian magazine and in Reader's Digest,
27 the arrangements between Reader's Digest and the
28 authors is entirely a matter for them. I repeat, as
29 a Canadian publisher -- and I don't know the habits of
30 other publishers -- I can only say categorically and



1 publicly, and under oath if necessary, and bring any
2 evidence it may be necessary to provide, that neither
3 I nor my magazine has ever received any money whatsoever
4 from Reader's Digest, nor from Time.

5 THE CHAIRMAN: Did they ask your permission
6 to use those articles?

7 MR. WARDELL: Oh yes, of course.

8 THE CHAIRMAN: What is the arrangement
9 between you?

10 MR. WARDELL: The arrangement was that every-
11 one of those articles was an article which came to me
12 in manuscript and came, undoubtedly, from a previous
13 examination and liking for it by Reader's Digest, and
14 on that basis, if I like it I buy it, and they republish
15 it, and, obviously, Reader's Digest pays more to a
16 contributor than The Atlantic Advocate in view of the
17 immense circulation, because if they want to take an
18 article it goes into world circulation, into every
19 country without let or hindrance, without exception.

20 THE CHAIRMAN: Is your magazine being injured
21 in any way by what you might regard as unfair competi-
22 tion from the United States -- or, fair, for that
23 matter.

24 MR. WARDELL: No.

25 THE CHAIRMAN: Your publication difficulties
26 are not affected?

27 MR. WARDELL: Not by what I consider unfair
28 competition. Of course, we live by competition; the
29 world in the twentieth century must live by competition.
30



1 Competition is everywhere. I have competition from
2 the American newspapers and from the big mass-circula-
3 tion Toronto periodicals. I have a great deal of
4 competition from television which I and others combine
5 to aid by a revenue of \$1,000,000 a week. That is,
/ of course, far and away the biggest competitor -- that
8 is, fair and not unfair, unless it is unfair to give
9 them \$50,000,000 or \$60,000,000 a year. Otherwise,
10 however, it is perfectly fair competition. One has to
11 live in the face of competition.

12 THE CHAIRMAN: Let me put it this way: as a
13 publisher, have you felt that by virtue of unfair
14 competition -- what you deem to be unfair competition,
15 and what you would show to be unfair competition -- if
16 you were in danger of having your magazine put out of
17 business altogether, what would you say about that?

18 MR. WARDELL: Well, that is a hypothetical
19 case, sir.

20 THE CHAIRMAN: It is not hypothetical in the
21 rest of the country.

22 MR. WARDELL: Well, it is, assuming -- which
23 is not the case -- assuming I find my magazine was
24 going to be put out of business, I should undoubtedly
25 try and make it a more appetizing magazine and more
26 attractive and more competitive. I don't think I
27 should ask for special laws to be passed to restrict
28 my competitors.

29 THE CHAIRMAN: Well, let me put it another
30 way: we are told by people who are in a position to



1 speak with some authority that our periodical press in
2 Canada is, in fact, in danger of extinction, and that
3 extinction, they say, would be a national calamity: if
4 you believe that, if you felt that was coming, would
5 you still say the Government of Canada should not
6 intervene?

7
8 MR. WARDELL: Well, I don't believe it. I
9 am not going to answer on the basis of a hypothesis.
10 I think it is nonsense; I think it is rubbish. I will
11 give you some figures, which you already know, that
12 the increase in the amount of advertising carried by
13 the magazines in Canada over the past twelve years is
14 immense. It is roughly a multiplication of three.
15 The weekend magazines -- and that is what is not taken
16 sufficiently into account -- the weekend magazines,
17 whether carried by newspapers with strange arrangements
18 or not -- and The Star Weekly is not; that is nothing
19 but a magazine -- they have had this immense multipli-
20 cation by four in that period. Certainly, there has
21 been a transference of allegiance from one type of
22 magazine to another to some extent, but the final
23 result in magazines is that it is a flourishing industry.
24 We have figures for the magazines and the weekend
25 publications together which are, I think, about
26 \$36,000,000 in advertising revenue for this year,
27 which is an enormous figure of revenue, vastly
28 increased, ever increasing, with the circulation
29 increasing, and that is why I do not see this danger
30 and I do not believe it exists.



1
2 THE CHAIRMAN: Do you know one of our leading
3 magazines at the present time is, in fact, being
4 published at a heavy loss and is only enabled to
5 continue publication by virtue of other activities on
6 the part of that company which publishes it? What
7 would you say to the disappearance in the last two
8 decades of three or four of our more important magazines?

9 MR. WARDELL: I would say I do not think the
10 percentage of fatality has been any higher in Canada
11 than elsewhere. I doubt if it has been as high as in
12 England. There is a flourishing periodical industry
13 in England, which I know much more about than the
14 American one, and they have had some appalling catas-
15 trophes. Very apparently, old-established periodicals
16 have gone under, and that is part of life. But, I
17 can't see why they should die with the American increase
18 in circulation and advertising revenue they have.

19 THE CHAIRMAN: Well, let me put it on the
20 national ground: you have publishers in Canada -- and
21 we may criticise them and think they are not doing the
22 job as they should do it, but for all of that they do
23 enable Canadian writers and critics to discuss Canadian
24 problems on Canadian subjects. Do you think it is a
25 good thing to have publications of that kind suffer at
26 the hands of publications from other countries which,
27 no matter how good they may be, do not in fact lend
28 themselves to a discussion of Canadian problems --
29 problems between these Provinces and the west of
30 Canada, for example?



1
2 MR. WARDELL: Well, that is a leading
3 question, if I may say so: "Is it good they should
4 suffer?" You talk about suffering as a cliché --
5 suffering from competition. But, is it necessary
6 suffering? They certainly have to meet competition,
7 and I think most people are far more efficient and
8 more competent when they face competition. I think
9 sheltering any person or government or other institution
10 from competition is one of the reasons why governments
11 are very often considered less efficient than private
12 enterprise.

13 THE CHAIRMAN: Do you believe the competition
14 of Time Magazine, with its Canadian edition, is fair
15 competition?

16 MR. WARDELL: Absolutely fair competition.

17 THE CHAIRMAN: You think so?

18 MR. WARDELL: Not only fair, but I do
19 believe Time is going to be a tremendous addition to
20 Canadian industry within a matter of months or a year.
21 I know nothing of Time; I don't even know Mr. Laybourne
22 who made the representations. I know Time has a very
23 aggravating obviously pro-United States policy because
24 it is a United States publication. It can aggravate
25 the view a reader may take, and I often disagree,
26 myself, but it is a brilliantly achieved newsweek
27 summary which, as I have said in my submission, is
28 part of the stock-in-trade of a journalist and many
29 other people. If we in Canada were going to make an
30 alternative -- something which was really competitive --



1 it would be an extraordinarily difficult financial
2 operation. I think it could be done perhaps, but
3 should only be done on fair competition. I don't
4 think it would be right to put up a tariff barrier, or
5 some artificial protection to the Canadian industry,
6 against what I consider the perfectly fair competition
7 of Time.

8 COMMISSIONER JOHNSTON: You say The Atlantic
9 Advocate is making money this year?

10 MR. WARDELL: Yes, sir.

11 COMMISSIONER JOHNSTON: Does that include the
12 other businesses?

13 MR. WARDELL: No.

14 COMMISSIONER JOHNSTON: It makes money for
15 itself?

16 MR. WARDELL: I am glad to say I am making
17 money on all sections of the business, and I am making
18 money independently with the daily newspaper and with
19 the book publishing and with the journal printing
20 business that I carry on which, together, aggregate a
21 turnover of over \$1½ million. All the divisions are
22 working profitably; all are increasing substantially
23 internally, and the magazine has been the only one of
24 late that has dragged behind and has been difficult.
25 That is now quite independently carrying its full
26 share of proportionate overhead, and is now making a
27 profit.

28 COMMISSIONER JOHNSTON: Getting back to
29 Reader's Digest, isn't their procedure to approach you
30



1 first for an article, or send the author to you with an
2 article?

3 MR. WARDELL: I have already said that is so,
4 yes. Equally, I am at liberty and do approach them,
5 and I have a hope that possibly some of what I think
6 are exceedingly talented Maritime writers will get a
7 new and great field through Reader's Digest, and that
8 is why I have been very interested in an association
9 which is as close and harmonious as possible with them.
10 I think they will help some of our Canadian writers to
11 get into this enormous world circulation which I can't
12 offer. But, if that happens, I shall not benefit one
13 cent. It will be a spiritual satisfaction.

14 COMMISSIONER JOHNSTON: You remember the
15 Marshal Plan: Canada didn't share in the Marshal Plan,
16 but the United States spent money overseas and some of
17 the money they spent was used to buy goods in Canada.
18 So, we did indirectly, in a way, benefit from the
19 Marshal Plan. Are you not in your magazine benefiting
20 in the same way?

21 MR. WARDELL: I don't know what you mean.
22 Are you suggesting I am corrupt in some way?

23 COMMISSIONER JOHNSTON: No, no.

24 MR. WARDELL: I think you are, if I may say
25 so. I heard you insult, when I was at Ottawa, the
26 representative of Time, whom I don't know, in terms
27 that would have made me, if I had been under cross-
28 examination by you, walk out of the room. If you are
29 going to start that with me, let us have an understanding.
30



1 I have given you all my answers on the Reader's Digest,
2 and I will give them again.

3 COMMISSIONER JOHNSTON: Well, our job ---

4 MR. WARDELL: You have brought in a most
5 complicated reference to the Marshal Plan suggesting
6 that because countries were subservient to the United
7 States, and because they received payments directly
8 from the Marshal Plan, that being subservient to the
9 American magazines I, in some way that you don't know,
10 have received some service from them. The answer is,
11 "I haven't".

12 COMMISSIONER JOHNSTON: Let us drop that,
13 then.

14 MR. WARDELL: Yes.

15 COMMISSIONER JOHNSTON: Our terms of reference
16 say, "to inquire into and report upon the recent and
17 present position of and prospects for Canadian magazines
18 and other periodicals with special but not exclusive
19 consideration being given to problems arising from
20 competition with similar publications which are largely
21 or entirely edited outside of Canada or are largely or
22 entirely foreign in content." I would like to ask you,
23 do you read the Canadian edition of Time for its
24 Canadian content?

25 MR. WARDELL: For its Canadian content and
26 for its world content.

27 COMMISSIONER JOHNSTON: Well, Canada only
28 occupies a portion of the world, and this is a review
29 of world events and, therefore, quite obviously,
30



1 Canadian events can only occupy about the same propor-
2 tion of that total. However, supposing from the profits
3 of your division -- your magazine division -- you
4 decided to produce a news magazine in sort of the same
5 field as Time: do you think you could do it in competi-
6 tion with them?

7 MR. WARDELL: I have already said it...

8 COMMISSIONER JOHNSTON: You think you could?

9 MR. WARDELL: ...in answer to the Chairman's
10 question. I don't think it could be done, certainly
11 not by me, because I think I would lose a couple of
12 million dollars. I would think it is not a commercial
13 risk anybody would like to take. I think it would be
14 very difficult to do it based upon the advertising
15 reviews of Canada and the reader reaction, particularly
16 in view of the fact they have this rather competent
17 Time; and also, many people have Newsweek too.

18 COMMISSIONER JOHNSTON: Do you read Newsweek?

19 MR. WARDELL: Every week, yes; and U.S. News
20 and World Report -- every week.

21 COMMISSIONER JOHNSTON: Do you think any
22 Canadian publication could afford to pay the rates
23 that Newsweek pays for its articles?

24 MR. WARDELL: I don't know how much they pay.

25 COMMISSIONER JOHNSTON: It was given in testi-
26 mony in Ottawa, \$1,500 to \$7,500 an article -- I beg
27 your pardon: that was Reader's Digest.

28 MR. WARDELL: I have already made that point.
29 Of course, it is very much more, but when they pay for
30



1 an article they pay for the world circulation of that
2 article, with their editions in every country of the
3 world, all of which are published without hindrance.
4

5 COMMISSIONER JOHNSTON: The Reader's Digest
6 representative also testified the Canadian Reader's
7 Digest paid a trifle under five per cent as its share
8 of the cost of the editorial content of the magazine.
9 There are 21,000,000 copies spread all over the world,
10 and Canada gets roughly 1,000,000 in two languages.
11 So that, five per cent of \$1,500 is \$75: could any
12 Canadian magazine attract any good writers for \$75?

13 MR. WARDELL: I don't think that can be true
14 of Reader's Digest. I think we are confused in some
15 way. Reader's Digest pay probably, you say, \$1,500 --
16 I dare say very much more.

17 COMMISSIONER JOHNSTON: I was taking the
18 minimum.

19 MR. WARDELL: I think they said they did
20 spend more on editorial services -- that is, writers
21 and editing -- in Canada; more per issue than any
22 Canadian publication, which may or may not be true.
23 I haven't any idea.

24 COMMISSIONER JOHNSTON: I don't know either.

25 MR. WARDELL: But I don't think they would
26 pay anybody \$75.

27 COMMISSIONER JOHNSTON: Mr. Wardell, the
28 point I am trying to make is that a Canadian magazine
29 cannot afford to pay on the basis of Reader's Digest,
30 and if Reader's Digest, competing in Canada for the



1 magazine-reading public -- the Canadian Reader's Digest
2 only had to pay \$75 to \$125 for an article, it would not
3 attract the type of quality of writer that they now
4 attract. Therefore, it seems to me that it puts the
5 Canadian magazine at a disadvantage. Does it or does
6 it not?

7 MR. WARDELL: No.

8 COMMISSIONER JOHNSTON: All right; we
9 disagree all morning. It seems to me all we can hope
10 to do, if we manage to come up with a report, would be
11 to make sure that all the magazines, big, little, good
12 and bad, have an equal opportunity. And that Time,
13 Reader's Digest and other so-called Canadian editions
14 of United States magazines -- the Canadian publication
15 is at a great disadvantage, so it seems to me. Do you
16 agree with that?

17 MR. WARDELL: No.

18 COMMISSIONER JOHNSTON: I wanted to get that
19 "no" on the record.

20 You testified here, and I think it is correct,
21 that an advertising agency feels it is its duty to
22 advertise in the most efficient places: and you consider
23 Time a Canadian magazine, do you?

24 MR. WARDELL: I consider it is a Canadian
25 magazine to the extent that it is in the process of
26 becoming a complete Canadian magazine by being produced
27 entirely in Canada. While it is not produced in Canada,
28 I think it is to be ranked with the Canadian magazines
29 because I think it is a special publication devised
30



1 for Canadians with nothing but Canadian advertising
2 and a Canadian section in it, and the whole provided
3 for the readership of Canada. Therefore, I would
4 class it unhesitatingly with the Canadian publications,
5 although it is not in itself a fully qualified Canadian
6 publication in my view until it has its plant and prints
7 here. Then I think it will be a completely 100 per cent
8 Canadian undertaking -- controlled by American capital,
9 possibly. But, how many businesses in Canada -- how
10 many motor car companies -- are?

11
12 COMMISSIONER JOHNSTON: Edited from New York:
13 would you call that a Canadian magazine?

14 MR. WARDELL: Well, you can edit from New
15 York in association with the local people here. I
16 suppose they have a staff here and I suppose somebody
17 has to have -- whether it is Mr. Luce or not -- somebody
18 must have the final editorial decision as to whether to
19 carry a particular story; whether to back President
20 Kennedy or Nixon; somebody must have that final decision.
21 That must be the boss wherever he is. If he is in
22 Jamaica, he is the boss.

23 COMMISSIONER JOHNSTON: Could you edit The
24 Atlantic Advocate from Toronto?

25 MR. WARDELL: I doubt -- if the question is,
26 "would I?", it is a hypothetical question. With the
27 electronic devices and devices of communication I
28 think you could do anything from practically anywhere.
29 I don't think it would be convenient. I should have
30 to travel very often. Physically I should have to put



1
2 my body for most of its life in the Maritimes if it has
3 that sympathy and love for the Maritimes.

4 COMMISSIONER JOHNSTON: Isn't that the point
5 I made?

6 MR. WARDELL: I think there are an immense
7 number of American Time bodies acquiring that same
8 love for Canada.

9 COMMISSIONER JOHNSTON: On the matter of
10 printing Time in Canada, I think you were still in the
11 room when I read from the first or second edition of
12 Canadian Time, that they could not build a printing
13 plant in Canada because the Dominion Government did not
14 approve. Well, it is fifteen years since the war, and
15 I suggest that the Canadian printing of Time is following
16 it not closely, and perhaps it is only a coincidence on
17 the appointment of this Commission. That is all.

18 THE CHAIRMAN: Apart altogether from its
19 content, have you any general knowledge of what the
20 present operation of Time -- the Canadian operation --
21 costs having regard to the fact they merely insert
22 four pages of Canadian news written in New York?

23 MR. WARDELL: No, I could only be guessing.

24 THE CHAIRMAN: As a publisher, would you say
25 that they were enormously less than the cost of producing
26 Saturday Night, for example, because, after all, the
27 editorial content is paid for -- and I am speaking only
28 of Canadian content; it has four more pages, and fifty
29 or sixty pages of Canadian advertising at a much lower
30 rate than the same advertising sold in the United States.



1
2 Would you say that is fair competition for Saturday
3 Night?

4 MR. WARDELL: Perfectly fair competition.

5 THE CHAIRMAN: You say it is fair?

6 MR. WARDELL: Fair competition. They can get
7 Canadian advertising, and if it pays the Canadian adver-
8 tiser -- and he is a very clever man; his advertising
9 agent is an extremely prudent, careful, resourceful
10 man, and he has gone into the return on advertising
11 expenditure very closely.

12 THE CHAIRMAN: And with an obligation only to
13 the profits of this man?

14 MR. WARDELL: Certainly.

15 THE CHAIRMAN: No obligation whatsoever to the
16 country?

17 MR. WARDELL: It could be argued -- that is a
18 broad philosophical argument. It could be argued that
19 the greatest contribution to Canada would be to build
20 up the industries, and therefore they have to be well
21 advertised, and I think you could have a philosophical
22 argument at every stage.

23 THE CHAIRMAN: Our terms of reference ask us
24 to.

25 MR. WARDELL: If you are an advertising man --
26 and you have, yourself, employed advertising men...

27 THE CHAIRMAN: Well, let me ask you one
28 final question: you say you do not carry, and I know
29 you don't, the Weekend magazine.

30 MR. WARDELL: Yes.



1 THE CHAIRMAN: And that Mr. Irving carries it
2 in the Saint John Telegraph Journal.

3 MR. WARDELL: And the Moncton Times.

4 THE CHAIRMAN: And you say even though you
5 wished to carry it you could not; you could not get it
6 because Mr. Irving has a monopoly; is that right?
7

8 MR. WARDELL: Yes.

9 THE CHAIRMAN: Why should they?

10 MR. WARDELL: It was done on my first arrival
11 in the area and that is, I can assure you, the truth of
12 the fact, and I have it on record that I asked -- not
13 that I knew for sure I wanted it -- I asked if I could
14 have it and the answer was, no, it was sold exclusively.

15 THE CHAIRMAN: And they gave Mr. Irving a
16 monopoly for the whole of New Brunswick?

17 MR. WARDELL: Yes. I am not saying that is
18 unfair.

19 THE CHAIRMAN: No, but it is a fact?

20 MR. WARDELL: Yes, just as I have monopolies
21 in other directions. I can, very frequently buy a
22 service exclusively, and would expect it to be an
23 exclusive service.

24 THE CHAIRMAN: I would like to get you on
25 record again, because we don't often get somebody like
26 you. Can a magazine the whole editorial policy of which
27 is outside Canada -- not only the content but the policy
28 is outside Canada -- be called and treated as a Canadian
29 magazine? It is owned abroad, it is issued abroad, its
30 policies are made abroad, it comes into Canada, and



1
2 would you call it a Canadian magazine?

3 MR. WARDELL: Yes.

4 THE CHAIRMAN: Well, would you call a magazine
5 from France a Canadian magazine?

6 MR. WARDELL: Under the same circumstances.
7 If, for example, Match or one of those publications,
8 came in -- and I know they were considering they would
9 come to Canada -- and they set up a plant here, and
10 have a considerable editorial staff and have a Canadian
11 edition of Match, I certainly would rank that
12 immediately as a Canadian publication. Of course, it
13 is a Paris publication and comes over with only French
14 advertising, and articles, even though they are about
15 Canada, are prepared for consumption in France.

16 THE CHAIRMAN: Well, I want to get back to
17 policy. You are saying, if I understand you correctly,
18 that a magazine, a periodical, a publication, published
19 outside of Canada, owned outside of Canada, edited out-
20 side of Canada, its policies determined outside of
21 Canada, its policies possibly determined by the country
22 in which it exists, and the policies of that country
23 might run contrary to ours, are you still saying it
24 should come into Canada?

25 MR. WARDELL: Most emphatically.

26 THE CHAIRMAN: I mean the process of competing
27 unfairly with a Canadian magazine and still be regarded
28 as a Canadian magazine.

29 MR. WARDELL: Unquestionably. The alternative
30 is putting the thin edge of creating a precedent of



1 absolute control of thought and opinion, and, for
2 example, many people don't like my opinion -- I hope
3 you gentlemen do -- but many people don't, and I should
4 be possibly subjected to some very unfair and harsh
5 treatment by some governments if we accepted the
6 principle you suggest. You have the trouble of a
7 publication which is so far on the left that it is
8 actually urging communism: well, many people think that
9 is not right and that that sort of publication should be
10 hindered. You have the liberal argument, the progressive
11 conservative argument, the C.C.F. argument and the new
12 party argument, and individualistic arguments, and
13 arguments in favour of a greater observation of
14 Christian methods and doctrines; you have all sorts of
15 different publications. The Canadian people are wise
16 and discriminatory people. They could discriminate
17 that which is good and bad and they probably will
18 select the magazines they want, and I think there
19 should be absolutely no barrier to their acquisition
20 of knowledge and views whether, in your opinion, that
21 knowledge is knowledge that is desirable and whether
22 the views and opinions are right or wrong.

23
24 THE CHAIRMAN: That is something else entirely.
25 We are not censors. We are not here as securers of
26 souls. I would not want to censor any magazine coming
27 into Canada for its editorial content, but I ask you
28 whether this magazine -- and it could be Pravda -- that
29 it be regarded as Canadian?

30 MR. WARDELL: Certainly.



1
2 THE CHAIRMAN: And treated under Canadian
3 laws exactly as a Canadian publication?

4 MR. WARDELL: Exactly.

5 COMMISSIONER BEAUBIEN: Mr. Wardell, suppose
6 that Time magazine or Reader's Digest were owned by
7 Mr. Khrushchev: would you still maintain the same
8 stand?

9 MR. WARDELL: Exactly.

10 COMMISSIONER BEAUBIEN: And would you consider,
11 for instance, Time magazine as a Canadian magazine?

12 MR. WARDELL: It might be. Then we should
13 see what his views are and people would publicly argue
14 about them and it may be a good thing.

15 COMMISSIONER BEAUBIEN: Yes, but would you
16 consider it as a Canadian magazine?

17 MR. WARDELL: Absolutely. There has never
18 been, if I may again repeat, there has never been in
19 any country, so far as I know, any suggestion to the
20 contrary. I was born and brought up in England but I have
21 been a Canadian now for ten years, and I live here
22 entirely. Apart from these suggestions of penalising
23 foreign -- xenophobic discrimination -- which is just
24 hatred of the foreigner or jealousy of America, these
25 things happen all over the world. Reader's Digest,
26 I don't think have had the slightest let or hindrance
27 anywhere in the world except possibly in one of the
28 countries where they have to give their content over to
29 one of the Latin-American countries, I think. Apart
30 from that I think I am right that they have no let or



1
2 hindrance anywhere, and I think it would be disastrous
3 if Canada were to create that.

4 COMMISSIONER BEAUBIEN: Are you saying the
5 inclusion of Canadian advertising in a magazine published
6 outside of Canada makes it a Canadian magazine?

7 MR. WARDELL: I think it is one of the quali-
8 fications. I think advertising is as interesting to
9 readers as editorial matter. In some cases I think
10 even more so, and I think you can't have a magazine
11 which appeals to Canadians unless it has advertising of
12 Canada, in the same way that your Ottawa Journal is a
13 wonderful newspaper but if that were to sell here it
14 would have a small readership, however excellent its
15 editorials and however splendidly produced it may be,
16 because it does not contain Halifax advertising, and
17 that is what people want.

18 THE CHAIRMAN: If Saturday Evening Post goes
19 in for a split edition, regional advertising, and comes
20 into Canada with that advertising in it, would you call
21 Saturday Evening Post a Canadian magazine?

22 MR. WARDELL: I think I would not call a
23 split edition, necessarily.

24 THE CHAIRMAN: How would you distinguish a
25 split edition from Time?

26 MR. WARDELL: Time has its offices and a very
27 considerable Canadian staff and administrative effort,
28 and merely because an American magazine has a split
29 edition -- the split editions are coming very fast:
30 Macleans are having a split edition.



1 THE CHAIRMAN: In Canada; in its own country.

2 MR. WARDELL: They are having an eastern
3 split edition, and it will be all the more difficult
4 for me, and it will be exactly the same argument, and
5 I shall grumble about that, but I shall not say I will
6 go to the Government and ask them to be prohibited or
7 taxed, and that I be given a bounty or subsidy.

8 THE CHAIRMAN: Your position is that nothing
9 should be done?

10 MR. WARDELL: Nothing, other than I think
11 this question of the possible misuse of the mails.
12 That seems to me something that should be seriously
13 considered: if we are carrying a tremendous burden of
14 runs on our mails, there is only one thing to be done,
15 and that is for the reciprocal mail agreements to be
16 looked into; also the shipping and trucking of enormous
17 tonnages delivered in Canada. In fact, for example, in
18 the Maritimes you get this tremendous bulk of magazines
19 posted in Toronto.

20 THE CHAIRMAN: To get cheaper Canadian postal
21 rates?

22 MR. WARDELL: Yes.

23 THE CHAIRMAN: And if you buy them they post
24 them in the United States and carry them free.

25 MR. WARDELL: Yes, but I think it is necessary
26 to have some understanding with the United States that
27 there must be some payment from somebody.

28 COMMISSIONER BEAUBIEN: To make a point, I
29 think Time magazine has no Canadian editorial office.
30



1 They have a few people here and there, but no organised
2 staff which you would call a Canadian editorial board,
3 and as far as restrictions on the publication of Time
4 magazine are concerned, I think in Brazil, Spain,
5 Belgium, Switzerland and India there are restrictions
6 regarding the publishing of Time magazine.
7

8 MR. WARDELL: I think it would be very sad
9 if Canada arraigned herself with Spain in processes
10 of government. I think none of the countries you
11 mentioned is a precedent for our laws in Canada.

12 COMMISSIONER BEAUBIEN: Would you say that
13 publishing was a business like any other business in
14 Canada?

15 MR. WARDELL: Certainly a business, but
16 quite unlike some others.

17 COMMISSIONER BEAUBIEN: Would you not classify
18 it as a secondary industry in Canada very much like
19 other manufacturing industries? Certainly it is a
20 business that deals with thought, but it is also a
21 business that deals with common sense.

22 MR. WARDELL: Yes.

23 COMMISSIONER BEAUBIEN: Do you not think the
24 publishing industry as a secondary industry is subjected
25 very intensely to competition from the United States
26 just as much as any other industry and in that respect
27 it should deserve protection like any other industries?
28 In the motor car industry or the canning industry there
29 is a protective tariff, usually: do you not think if
30 the publishing industry is in some sort of danger it



1
2 should also have some sort of protection to keep it
3 Canadian and not be gobbled up?

4 MR. WARDELL: My opinion is that publications,
5 either newspapers or magazines, should not be taxed.
6 They should not be taxed internally nor by import
7 duties, and they should be free to enter any country.

8 COMMISSIONER BEAUBIEN: Even at the risk of
9 Canadian publications disappearing? We are back on
10 the same thing all the time, but that is the crux of
11 the whole matter, because there is no doubt our friends
12 in the United States have great assets which are not
13 available to us here. They have, for instance, a
14 market of 180,000,000 people. We have a market of
15 18,000,000 people, and therefore they have a great
16 advantage because they can spread their costs much
17 thinner than we can, whereas with our 18,000,000 we
18 have to bear the cost over 18,000,000 instead of
19 180,000,000. Doesn't that give the Americans a
20 terrific advantage over us?

21 MR. WARDELL: I have tried to express in my
22 submission that he has the same sort of advantage over
23 Canada as central Canada, with its mass production,
24 has over this area of Canada; very much the same sort
25 of thing, and I feel exactly that competition every day
26 of my life, and so does practically anybody engaged in
27 competitive business in this area of Canada. Certainly,
28 I think printing is business and that publishing is
29 business, and it is a competitive business, and one of
30 the troubles about competition is that it is sometimes



1 very difficult to meet, but I think the publishing
2 industry in Canada is meeting it very well, and I
3 think there has been a transference to some extent from
4 one sort of magazine to the Weekend sort of magazine.
5 It is very hard to see any weakness or any lack of very
6 sturdy growth. If you take the two together you see
7 they are growing in circulation, and by all standards,
8 except the profit and loss account, everything is fine.
9 But, the profit and loss account of that great business
10 of Macleans is for themselves. They have given evidence
11 about that. Some portions of it are profitable and
12 some are not, and that is frequently endured by
13 businesses, I think.

14
15 COMMISSIONER BEAUBIEN: Just one other
16 question: I see you have a circulation in the United
17 States of The Atlantic Advocate of 1,182. Do you have
18 to pay any duty?

19 MR. WARDELL: Absolutely not. Occasionally
20 I charge \$1 more. We sell a few copies in newsstands
21 at Boston, but I don't do anything to increase my
22 sales. I don't advertise, and I don't want to increase.
23 I charge an extra \$1.

24 COMMISSIONER JOHNSTON: Isn't the postage
25 higher going to the States?

26 MR. WARDELL: I don't think it is higher.
27 It is not higher to the extent I have ever noticed it
28 in the accounts. It is a relatively small circulation
29 there. I am wanting to concentrate circulation as much
30 as possible in the four Atlantic Provinces. I want my



1
2 heavy concentration there, and then I am able to give a
3 very good rate to advertisers who want to cover that
4 area, and a great deal of our advertising is advertising
5 directed to this area. As soon as I get a big sale in
6 the United States every copy I sell costs me more to
7 produce than I receive in terms of sale revenue, and
8 therefore the only way to pay for it is to raise my
9 rates, and I don't want to do that in order to have a
10 great sale either in the United States or in British
11 Columbia.

12 COMMISSIONER JOHNSTON: Bruce Hodgson
13 appeared before us in Vancouver last week and said it
14 would be calamitous if Canadian magazines disappeared.
15 He is a writer and a very successful one as you know:
16 supposing as a result of this competition from the mass
17 producers of reading material in the United States we
18 end up with no Canadian magazines; are we not interfering
19 negatively with the free flow of thought and ideas?

20 MR. WARDELL: Again that is hypothesis. You
21 are asking me to accept something which I have already
22 given my opinion upon. I think it would be disastrous.
23 I say at once, if there were no periodicals in Canada
24 it would be very sad, but I do not believe there is
25 any such danger. I think, on the contrary. I am at
26 the present time thinking hard and long hours about
27 starting another one.

28 COMMISSIONER JOHNSTON: The figures we have
29 had on all of the publications excepting from Canadian
30 Publishing are frightening, and I am quite sure the



1 owners of two or three publications will go out of
2 business rather than waste or lose any more money.
3 Maybe it is bad management; I don't know. At one
4 place there, where you don't agree with Mr. Zimmerman --
5 and I don't know whether you were there -- but I asked
6 him if the Canadian reader would consider Reader's
7 Digest a Canadian magazine, and, speaking from memory,
8 he said having regard to the format and titles of the
9 articles, the masthead and all the rest of it, he
10 didn't see how any Canadian reader could consider it
11 a Canadian magazine. But, you do consider it a
12 Canadian magazine?
13

14 MR. WARDELL: Yes. It depends -- in relation
15 to this discussion, whether a magazine should be taxed
16 or whether it should be considered a Canadian magazine,
17 and I should think he was answering from a broad view-
18 point. Of course, it is not a Canadian magazine in
19 relation to editorial content, because it claims to be
20 world content. It doesn't claim to be Canadian at all.
21 It claims to be world, and I think he was probably
22 answering from that angle, that he certainly would not
23 claim its editorial content is slanted towards
24 Canadianism in any way.

25 COMMISSIONER JOHNSTON: Do you know how Time
26 is distributed in Canada?

27 MR. WARDELL: I know how it is distributed
28 by one means, and I would think it is mailed, but I
29 can't tell you how. I get mine through the mail every
30 week.



1
2 COMMISSIONER JOHNSTON: Some publications
3 ship their magazines in bulk to Toronto or Windsor,
4 or some place like that, and it is received by the
5 Canadian post office, and the Canadian post office
6 gets the revenue. Time has chosen to mail all its
7 magazines from Chicago so that the Canadian post office
8 gets nothing in the way of revenue. That, presumably,
9 will be changed after seventeen years.

10 MR. WARDELL: I have already said I think
11 the mailing arrangements do want scrutiny and adjust-
12 ment.

13 COMMISSIONER JOHNSTON: But the difficulty,
14 perhaps, with that is, if we raise them on foreign
15 magazines we will have to raise them on domestic
16 magazines.

17 MR. WARDELL: That would be very sad; I
18 think it should not. I think the mailing benefit
19 should be shared by Canadian magazines, and, if my
20 view is of any interest at all, with that qualification
21 I would make the magazine which was printed and
22 published in Canada in terms of mailing rights a
23 Canadian magazine. I would not discriminate and say
24 that one is dealing with world subjects and the other
25 not.

26 COMMISSIONER JOHNSTON: I have one small
27 question: have I been fair in my questioning?

28 MR. WARDELL: To me, very fair, sir.

29 COMMISSIONER JOHNSTON: Thank you, that is
30 all.



1
2 COMMISSIONER BEAUBIEN: Is your magazine
3 A.B.C. audited?

4 MR. WARDELL: No. The newspaper is and we
5 were changing circulation fairly frequently and we
6 were putting the thing into the A.B.C. and we took it
7 out again because of rather a quick alteration that was
8 taking place, and even in the last six months it has
9 grown very fast. But, next year it will be A.B.C.

10 COMMISSIONER BEAUBIEN: Would you give to
11 the Commission your circulation figures since the
12 establishment of your magazine?

13 MR. WARDELL: I can't out of my head.

14 COMMISSIONER BEAUBIEN: No.

15 MR. WARDELL: I can give it roughly: in 1956-
16 57 it was 10,000, in round figures. Then it climbed to
17 about 12,000; it never went backwards. Then it was
18 around 16,000 for a time, and then it went forward to
19 about between 17 and 18, and then it jumped to about
20 22½.

21 COMMISSIONER BEAUBIEN: Could you have those
22 figures mailed?

23 MR. WARDELL: Our print has risen from
24 10,800 to something -- we were always dealing with
25 subscription sales except, of course, in the early
26 stages when we put out magazines everywhere on the
27 newsstands. But, the print has risen from about
28 10,800 to 25,000.

29 COMMISSIONER BEAUBIEN: Could you have the
30 figures mailed to our Secretary, Mr. Pitfield?



1
2 MR. WARDELL: Yes.

3 COMMISSIONER BEAUBIEN: You are a member of
4 the Periodical Press Association?

5 MR. WARDELL: No; no association at all.

6 COMMISSIONER BEAUBIEN: Have you read their
7 brief?

8 MR. WARDELL: Yes.

9 COMMISSIONER BEAUBIEN: Do you support their
10 brief?

11 MR. WARDELL: Well, I should have to have
12 time to consider that because I have read so many
13 briefs. I don't think they have made any recommenda-
14 tion. I think all they have done, so far as I know,
15 is to cry havoc and say they want help, but they haven't
16 said what they want, and I would not support anything
17 before I know what they do want.

18 THE CHAIRMAN: Thank you, Mr. Wardell, for a
19 most lively presentation and for coming a long way to
20 present it.

21 --- Exhibit No. H.2: Copy of The Atlantic Advocate.

22 --- Exhibit No. H.3: Copy of "Newfoundland - The
23 Fortress Isle".

24
25 --- A Short Recess.
26
27
28
29
30



1 Submission of The Catholic Women's League of Canada

2 Appearances: Miss Marguerite Burns

3 Dr. Grace L. Caughlin

4 MISS BURNS: Mr. Chairman and Members of
5 ROYAL COMMISSION ON PUBLICATIONS:

6 1. Identification. We represent The
7 Catholic Women's League of Canada, a nationwide organi-
8 zation of approximately 146,000 women working "FOR GOD
9 AND CANADA" under the direction of the Canadian Catholic
10 Hierarchy. We are organized in 53 dioceses, in upwards
11 of 1,600 parishes. We have a Federal Charter, and our
12 national office is located at 77 MacLaren Street, Ottawa.
13 Our National Director is His Excellency, Most Reverend
14 Francis J. Klein, D.D., Bishop of Saskatoon. The
15 authorized representatives on this occasion are the
16 National President, Miss Marguerite M. Burns, Halifax,
17 Nova Scotia, and the Past National President, Dr. Grace
18 L. Caughlin, Milltown, New Brunswick.

19 2. Appreciation. We are desirous of
20 expressing sincere appreciation of the privilege of
21 appearing before this ROYAL COMMISSION ON PUBLICATIONS,
22 whereby we are given an opportunity to commend the
23 Canadian Government for its forward step in setting up
24 the Commission, which is an avenue for us to express
25 our views regarding the better type of periodical.

26 3. Views. Mindful of the truth of the
27 quotation "Nothing is so conducive to the growth of
28 evil as that the good do nothing" we raise our voice,
29 the united voice of 146,000 Catholic women, representing
30 thousands of Canadian homes, in commendation of what



1
2 has been done in the fight against salacious literature
3 by the action of the Premier of Ontario, by various
4 national and provincial organizations -- notably Home
5 and School, and Parent-Teacher Associations, Welfare
6 Councils, and others, sincerely asking that the ground
7 gained be held, and its area ever extended until
8 Canadian publications attain the degree of excellence
9 that will merit and receive world-wide recognition to
10 the extent that Canada's courage and example will be
11 emulated universally.

12 4. Promise to co-operate. High aim is
13 commendable; disgrace lies in not making a concerted
14 effort to improve unsatisfactory conditions. This
15 ROYAL COMMISSION ON PUBLICATIONS is proof that all is
16 not well; and it is also proof that the Government is
17 concerned with the cultural and economic position of,
18 and prospects for, Canadian periodical-publishing
19 industry and the allied arts and industries. The
20 Catholic Women's League of Canada goes on record as
21 standing ready to co-operate with this movement to the
22 best of its ability. Our desire is to support any
23 measure, consistent with the maintenance of the free-
24 dom of the Press, which will contribute to the
25 further development of a Canadian identity, through a
26 genuinely Canadian periodical press. Our purpose is to
27 endeavour to develop sound, healthy attitudes towards
28 wholesome reading material so that Canadians may read
29 to improve this purpose. We need to develop power to
30 stem the tide, gaining momentum daily, so that newstands



1
2 may be cleared of lewd, lustful, and trashy material,
3 so flamboyantly displayed on every hand.

4 5. Our position. The cultural influence of
5 the members of The Catholic Women's League of Canada is
6 channelled through its standing committees on EDUCATION,
7 CITIZENSHIP, IMMIGRATION, SOCIAL ACTION, LEGISLATION,
8 RESOLUTIONS, GIRL GUIDES, and RADIO, TV and FILMS,
9 which function on parish, diocesan, provincial, and
10 national levels. Using the medium of our national
11 monthly publication, THE CANADIAN LEAGUE, we are ready
12 to publicize a program designed to implement that oft-
13 repeated plea "Deliver us from Evil"; this can be done
14 in support of your anticipated recommendations for the
15 circulation of only those publications which will
16 develop standards that are in line with a distinct
17 Canadian culture.

18 6. Standards. Recognizing salacious,
19 obscene, and trashy publications as a public enemy, we
20 must maintain eternal vigilance on the battle line.
21 Offensive publications according to the standards of
22 The Catholic Women's League of Canada are those which:

- 23 a) Glorify crime and exploit horror,
24 cruelty, or violence
25 b) Hold lawful authority in disrespect
26 c) Attack religion
27 d) Use blasphemous, profane, or obscene
28 speech indiscriminately
29 e) Portray sex facts offensively
30 f) Feature lewd or suggestive photography



1 or illustrations

2 g) Carry advertising offensive in content
3 or advertise products which may lead to
4 physical or moral harm.

5 7. Past endeavors. By no means is this our
6 first public effort to promote good literature. For
7 40 years -- since we were organized in June, 1920, -- we
8 have been concerned at various national conventions
9 with the demoralizing effect of trashy reading material.
10 Year after year we have adopted RESOLUTIONS conducive to
11 vanquishing this foe; in many instances they have been
12 directed to the Government. Insofar as our members were
13 able we have tried sincerely to implement these Resolu-
14 tions, and in 1953 A SPECIAL COMMITTEE ON THE SALE AND
15 DISTRIBUTION OF SALACIOUS AND INDECENT LITERATURE,
16 sitting at Ottawa, received a well-prepared Brief
17 presented by the then national president, Dr. Ellen
18 Drake, Regina, Saskatchewan, and the then national
19 director, His Excellency, Most Reverend John C. Cody,
20 D.D., Bishop of London, Ontario. Our Brief today
21 reiterates the basic findings contained in the 1953
22 brief, which simply stated is that smut peddling was
23 then big business which inevitably led to the demora-
24 lization of youth. To this we add that the situation
25 has gone from bad to worse.

26 8. Waste of Education. We ask you why
27 should the Canadian taxpayer make sacrifices to
28 provide better schools, to engage higher-paid teachers,
29 and even in many instances ot provide transportation
30



1 for school children and yet give the insidious evil of
2 bad publications a chance to destroy the advantages
3 hopefully proffered over a number of years at a COLOSSAL
4 expense?

5
6 9. Observations. J. Edgar Hoover, Chief of
7 the American Federal Bureau of Investigation, says:

8 "The increasing number of sex crimes is
9 due precisely to sex literature, madly
10 presented in certain magazines. Filthy
11 literature is a great moron builder. It
12 is creating criminals faster than the
13 jails can be built."

14 If you talk, as we have talked, to matrons in
15 homes for unmarried mothers, you will learn firsthand,
16 as we have learned, that they place the blame for much
17 of the misery in their world to the reading of the so-
18 called "sexy" magazines. At this point, we wish to
19 mention that use of the word "sex" is often wrongfully
20 applied. Some people are inclined to confuse it with
21 the word "lust". Sex itself is a Gift from God and,
22 therefore, good. Lust is the perversion of sex and,
23 therefore, evil -- one of the seven deadly sins. If
24 instead of using the word "salacious" to describe
25 certain types of reading matter, we would use the
26 stronger Anglo-Saxon word "dirty", then these magazines
27 would immediately lose some of their appeal. The
28 person who thinks it smart to buy "sexy" or "salacious"
29 publications would be ashamed to be accused of reading
30 "dirty" stories. WE MUST MAKE THESE HARMFUL



1 PUBLICATIONS UNAVAILABLE IN CANADA.

2
3 11. Causes and effects. Love of comfort,
4 ease, and pleasure has driven the Christian concept
5 farther and farther into the background of our lives,
6 and the words of "self-discipline" and "sacrifice" have
7 taken on a connotation, perhaps unconsciously, in the
8 minds of too many Canadians. By our apathy and indif-
9 ference to inevitable results we have called the tune,
10 and now we must pay the piper, and the payment is
11 COSTLY -- broken homes, prevalent infidelity, juvenile
12 delinquency, mental disease, and general disorder and
13 confusion.

14 12. Undermining influence. We deplore the
15 sapping and undermining influence, too often featured
16 in periodicals, such as the cynical lampooning of
17 decent family life; the ironic ridicule of virtue;
18 the sophisticated mockery of religious values, all of
19 which have succeeded so well and with so little outcry
20 that the philistines have been encouraged and have
21 grown bolder. It is to be hoped that they have timed
22 this effort so badly and miscalculated so grievously
23 the sleeping, but not yet smothered conscience of our
24 Canadian people, that we still have time to eradicate
25 the evil. It will be Providential if this ROYAL
26 COMMISSION ON PUBLICATIONS awakens our people to the
27 danger that confronts them thus making them more wary
28 and watchful in the future. Right-thinking Canadians
29 must become the leaven which will permeate the mass
30 and give it QUALITY and LIFE. Here is the hope for



1 the future -- the hope of our generation.

2
3 13. Recommendations.

4 a) In the matter of importation of foreign
5 periodicals, we ask that you give particular
6 attention to the idea of excluding the types
7 mentioned as offensive publications on page 3
8 of this Brief

9 b) We urge that you give special considera-
10 tion, and assistance if deemed necessary, to
11 Canadian publishers of the better type of
12 periodical

13 c) We recommend a Government-sponsored
14 publicity campaign to keep this matter
15 actively alive through articles in periodicals,
16 and also suggest the use of a suitable slogan
17 for occasional Postal cancellation marks.

18 That the work of the ROYAL COMMISSION ON
19 PUBLICATIONS will prosper for the benefit of the youth
20 of our beloved Canada is the spirit in which this Brief
21 is respectfully submitted.

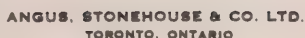
22
23 Dated at Halifax, Nova Scotia,
24 this Thirtieth day of November, 1960.

25 THE CHAIRMAN: Miss Burns, we thank you very,
26 very much for your submission. I am sure you are aware
27 that with regard to a number of the evils we deplore,
28 these come within the Criminal Code and are outside
29 our jurisdiction. Nevertheless your brief is helpful
30



1 and encouraging, and your brief supports very
2 eloquently the spirit behind this Royal Commission,
3 and we wish to thank you very much for taking the
4 trouble to come here.
5

6 --- Exhibit No. H.4: Submission of The Catholic
7 Women's League of Canada.
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MR. OLAND: The Halifax Board of Trade

We should encourage a climate in Canada which will ensure an even greater number of Canadian magazines. Lively young Canadian minds are teeming with ideas and should be able to engage in contributing to and the publishing of magazines. Magazines are a source of information of great importance to the Canadian people, promoting the Canadian way of life and furthering the cause of Canadian identity. We live in a great half continent, stretching from sea to sea in which magazines provide an integrating and stimulating force of



1 ideas. In the publishing and distribution of these
2 magazines there are points to be considered which are
3 of great importance to the Canadian people.

4 The Canadian Government has seen fit to
5 assure that private television stations in Canada are
6 controlled by Canadians and have a 55% Canadian content.
7 The Government also bears considerable expense to keep
8 the Canadian Broadcasting Corporation in existence for
9 the purpose of spreading the Canadian point of view and
10 Canadian culture throughout the country.

11 Newspapers being normally local publications
12 fulfil a valuable role in advising Canadians on local,
13 national and international affairs on a daily or weekly
14 basis. Such newspapers report on the news rather than
15 educate and advise the public.

16 Due to competitive factors in the field of
17 mass communications there are very few Canadian maga-
18 zines left. Some of these competitive factors have
19 obviously become the concern of the Canadian Government,
20 which has instituted this Royal Commission. We believe
21 it is in the best interests of the country that Canadian
22 magazines be retained, and if possible, strengthened.
23 The Canadian point of view must be presented by
24 Canadians in Canadian publications and this cannot be
25 done solely by the newspapers, radio and television.

26 In this part of Canada the ATLANTIC ADVOCATE,
27 primarily a regional magazine for the Atlantic Provinces,
28 provides a great service to our people in collecting
29 and disseminating information of activities within the
30



1 area that would otherwise not be available to us and
2 certainly it is in our own interests to see that this
3 magazine prospers.
4

5 In making this recommendation we believe
6 that nothing should be done which prevents the free flow
7 of American magazines across the border. However, the
8 American magazine content of information and news about
9 Canada is practically nil, and the few nationally distri-
10 buted Canadian magazines that are left must be preserved.

11 We are not aware of the recommendations to be
12 made to your Commission by the magazine publishers, but
13 we ask you to give their requests your serious conside-
14 ration in view of the importance of Canadian communica-
15 tions to Canadians.

16 All of which is respectfully submitted.

17 COMMISSIONER JOHNSTON: Mr. Oland, just one
18 or two points: you have no idea how you would go about
19 promoting the interests of more Canadian magazines?

20 MR. OLAND: That is an extremely difficult
21 problem that is facing you gentlemen. You have heard
22 this morning that Brigadier Wardell is opposed to
23 tariff protection, and, as a Maritimer, you can be
24 nothing but a free trader in all walks of life. I
25 do not see any objection to American, English or
26 French magazines, or magazines from any country coming
27 into the country. Time magazine really reports on
28 world-wide news. Granted, they are in a different
29 position as far as advertising policy is concerned.
30



1
2 I don't think there are any publishers who would want
3 a subsidy or a subsidised periodical industry. On the
4 other hand, the Government must think it extremely
5 important to retain Canadian identity of the C.B.C. and
6 the television shows to the amount that they do spend
7 on that, and I don't think that television, newspapers
8 and radio are enough to present the Canadian point of
9 view.

10 I was going to make one reference, although
11 I have no intention of reading this last part. A
12 Canadian index of Canadian material and magazines is a
13 most important thing to have for reference work, and I
14 think that suggestion should be considered.

15 COMMISSIONER JOHNSTON: There is no such
16 thing now?

17 MR. OLAND: Evidently there is of a type,
18 but it is not sufficient to do the job properly, and
19 in speaking with the librarians ---

20 COMMISSIONER JOHNSTON: We have been wondering
21 what could be done. We have asked other people, and
22 they say, "that is your job". I suggest it is the job
23 of the Canadian people, not the job of three people on
24 the Royal Commission. So, if you get any ideas
25 between now and Christmas please let us have them.

26 MR. OLAND: Yes.

27 COMMISSIONER JOHNSTON: We also have noticed
28 that the Atlantic Advocate is a prosperous magazine
29 and doing a useful job.

30 MR. OLAND: It might be the best suggestion



1 would be to hire Brigadier Wardell to run their magazine.

2
3 THE CHAIRMAN: Mr. Oland, you are opposed to
4 tariffs and you say it is very hard for a Maritimer to
5 be other than opposed to tariffs because you are all
6 free traders: you make exceptions, of course?

7 MR. OLAND: Oh, yes.

8 THE CHAIRMAN: Coal, for example: are you a
9 free trader with respect to coal coming into this
10 country from the United States?

11 MR. OLAND: Unfortunately, coal is in a very
12 precarious position.

13 THE CHAIRMAN: That is what the magazines
14 say too.

15 MR. OLAND: But if it were not for the compe-
16 tition from oil I would be in favour of tariffs for
17 coal, but, if you notice, there never has been a tariff
18 on coal. Instead of a tariff on coal from the States,
19 when coal was used they had a subsidy for Canadian coal
20 rather than putting a tariff on. I feel quite certain,
21 however, if that coal had been located in Ontario or
22 Quebec it would have been quite a healthy tariff to
23 keep American coal out.

24 THE CHAIRMAN: At all events, you are in
25 favour of State assistance, which got up to \$12 a ton
26 in recent years, for the help of coal in the Maritime
27 Provinces? I am not opposing that, but I can't under-
28 stand this thinking which comes here and says: "Yes,
29 we need \$12 a ton assistance for coal because coal is
30 in a bad way" -- and it is; but, at the same time says,



1 "Oh, no, the State must not interfere to protect some
2 other man's investment in periodicals", which some of us
3 think pretty important to the national life.

4 MR. OLAND: In this submission we are in com-
5 plete sympathy with anything that can be done to support
6 the Canadian publications, and I have mentioned here,
7 sir, that although we are opposed to tariffs there is a
8 difference in considering magazine publications, because
9 they are presenting the Canadian point of view.

10 THE CHAIRMAN: Well, we understand that if --
11 and this is a big "if" -- if something like a tariff or
12 like assistance came about in Canada for magazines, this
13 would have your support?

14 MR. OLAND: If that is the only alternative
15 I would think it would have to have my support, but I
16 notice, much to my embarrassment, here that my original
17 writing of this paragraph has been changed around
18 slightly. What I said originally was, although as
19 Maritimers we must be opposed to tariffs and be free
20 traders, that when we came to magazines presenting the
21 Canadian point of view we had to do everything we could
22 to see to it they were kept in existence.

23 THE CHAIRMAN: Thank you very much.

24 COMMISSIONER BEAUBIEN: Would you care to give
25 us a definition in your own words of what a Canadian
26 publication is?

27 MR. OLAND: I think I can name them; there
28 are not very many left: Macleans, Saturday Night,
29 Liberty, The Atlantic Advocate. I read them all
30



1 deliberately and purposely because I don't think
2 Canadians can be informed about their own country
3 unless they do.

4 COMMISSIONER JOHNSTON: Do you read many
5 American magazines?

6 MR. OLAND: I read Time religiously. I read
7 Newsweek and U.S. News and World Report, on occasions.
8 I don't read Time because it is American. I read it
9 because it is one way of being kept up to date in a
10 small time on world affairs.

11 COMMISSIONER JOHNSTON: You don't read it for
12 its Canadian content specially -- those four pages?

13 MR. OLAND: No, not particularly.

14 THE CHAIRMAN: Thank you very much, sir.

15
16 --- Exhibit H.5: Submission of Halifax Board of Trade.

17 --- Exhibit H.6: Statement from libraries.

18
19 --- Luncheon adjournment.
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1
2 --- On resuming at 2 p.m.

3 Submission of Mr. Watson Kirkconnell, Chairman,
4 Writers' War Committee (Canada) 1942-44

5 MR. KIRKCONNELL: Mr. Chairman, and gentlemen,
6 my name is Watson Kirkconnell, and since I do not
7 associate my Acadia University with the brief I go back
8 in history to identify myself as the Chairman of the
9 Writers' War Committee, 1942-44.

10 COMMISSIONER JOHNSTON: You are not speaking
11 as President of the University?

12 MR. KIRKCONNELL: No; as a private individual.

13 COMMISSIONER JOHNSTON: But you are President
14 of Acadia?

15 MR. KIRKCONNELL: Acadia University, yes.

16 One of the few functions left for an indivi-
17 dual citizen in a mass society is to "view with alarm".
18 That is the rationale of the present brief.

19 As a native Canadian of the fourth generation,
20 I have watched with anxiety the decease of one Canadian
21 magazine after another -- the Canadian Magazine, the
22 National Home Monthly, and others, along with the
23 disappearance (or the absorption) of many of our daily
24 newspapers. Of comparable seriousness have been signs
25 of a gradual metamorphosis of some of the survivors into
26 mass slicks in an effort to survive -- by deliberately
27 reducing the length of articles and stories and by
28 spicing the style with wisecracks and triviality. The
29 disease may be only at the incubation stage, but the
30 symptoms are clear.



1 I cannot believe, of course, that all of this
2 has been caused by the pressure of alien competition.
3 American split runs, postal advantages and advertising
4 gimmicks are not responsible for the mushrooming of
5 Canadian publishing costs in the past two decades. But
6 these costs, which have often been thrust up by foreign-
7 based pressure, render the Canadian firm all the more
8 vulnerable to competition from larger American units of
9 the same pressure groups, whose American employment
10 interests are in such matters incompatible with full
11 Canadian employment at comparable wages in our smaller
12 production units. The intentions of the union's inter-
13 national headquarters may be perfectly honest, but in
14 an overflow situation of the present sort it is Canadian,
15 and not American, jobs that run the risk of extinction.
16 Please do not misconstrue me as laying all the blame for
17 our age's inflation on the shock-troops of the big
18 unions. The old riddle as to which comes first, the
19 hen or the egg, is not irrelevant to the rise of prices
20 and the rise of wages. At times it would even seem
21 that an almost simultaneous jump in both in some indus-
22 try represents a tacitly manoeuvred pincer movement by
23 management and labour operating in concert against the
24 consuming public. Government policies, moreover, have
25 often had a direct bearing on inflation. Thus some
26 Canadians fear that the economic policies of President-
27 elect Kennedy will again let loose the horses of infla-
28 tion on both the American and the Canadian sides of the
29 border. But in the publishing business it is hard to
30



1
2 avoid a suspicion that the I.T.U. has had a real share
3 in the catastrophe, and a share not unrelated to the
4 problem facing the Commission. The astute proprietors
5 of American mass periodicals can then cash in on our
6 weakness.

7 In a country as vast as Canada, none of our
8 daily papers has a national coverage, so as to give
9 national leadership. In our university library, I can
10 read morning dailies from Halifax, Montreal, Ottawa,
11 Toronto, and Winnipeg, but in no one of them can I
12 discern the lineaments of an all-Canadian character.
13 For that, one must turn, though with increasing hesita-
14 tion, to our magazines. A Canada that did not have its
15 own thoroughly national magazines -- of course, general
16 magazines -- in which Canadian affairs, personalities
17 and culture were seriously discussed by Canadians of
18 intellectual stature, would presently cease to be a
19 nation. As a people, we have been brain-conditioned for
20 a generation by the American cinema, the American radio
21 and a flood of American periodicals. The fact that
22 some of it is so excellent makes its absorptive influence
23 all the more pervasive. We must welcome good imports in
24 the cultural field, but to retain our identity, we
25 shall also continue to need a strong periodical press
26 of our own.

27 How this periodical press is to be encouraged
28 or protected, I shall not attempt to suggest. I have
29 merely sought to record my conviction that a critical
30 situation exists and that some solution needs to be



1
2 found.

3 THE CHAIRMAN: Doctor Kirkconnell, how do you
4 rationalise this claim that if Canada did not have its
5 own thoroughly national magazines, and so on, that
6 presently we as a nation would cease to exist? Belgium
7 is subject and has been subject for many, many years to
8 a flood of publications from France and Paris -- over-
9 whelming: do you think it has affected the sense of
10 Belgian nationality? Or, if I go back to the land of
11 my forebears, nobody knows better than you that for
12 three centuries the Irish language was practically
13 ruled out and Ireland was flooded with British publica-
14 tions of all kinds. They not only sent them in across
15 the Irish Sea; they came in and established them within
16 the State. How do you account for the fact it made no
17 difference whatsoever to the Irish sense of nationality?
18 Or, if you take Switzerland: Switzerland is overrun by
19 French, German and other publications, but it has not
20 affected the sense of Swiss nationality. These claims,
21 I know, are being made and I sympathise with them a
22 great deal and I do see something in them, but for our
23 records I have been unable to get this case properly
24 documented. I am inclined to believe what you say but,
25 after all, publications and periodicals and newspapers
26 are not the only things that contribute to Canadianism.
27 We have 100 papers published in Canada preaching Cana-
28 dianism every day. We have probably 500 weekly news-
29 papers preaching Canadianism every day. We have our
30 Canadian Broadcasting Corporation, which I don't like



1 too much, but which preaches Canadianism every evening
2 to us. We have Canadian universities all over this
3 land. We have our schools; we have our churches; we
4 have our traditions and our sense of history -- all our
5 background. Why is it all of a sudden the Canadian
6 people have become so afraid of losing their national
7 identity because we import into this country magazines
8 like Time and Reader's Digest? I would like to hear
9 you on this.
10

11 MR. KIRKCONNELL: Going back to the question
12 of Ireland, might I suggest that a sense of nationality
13 becomes intense, becomes permanent under pressure. One
14 reason why the Jewish people have maintained an identity
15 for 2,000 years is because they have been under pressure.
16

17 THE CHAIRMAN: Yes.

18 MR. KIRKCONNELL: And I suggest in the case
19 of Ireland the pressure of an alien rule and an alien
20 ambition towards the country has, in spite of all the
21 literary English intrusion which you have mentioned,
22 nevertheless, created and perpetuated the Irish national-
23 lity.

24 I think in the case of American influences on
25 Canada, it is not so much the sense of hostile influence
26 -- although, I can recall some argument to that effect
27 in the 1911 elections -- but is more the effect of a
28 sun rather than a storm. Our university students in
29 this country reproduce almost like a carbon copy all
30 the habits and all the attitudes of the American univer-
sity where they are organised as freshmen, sophomores,



1
2 juniors and seniors. It is not the English organisation
3 of the undergraduate body. All the undergraduate mores
4 -- the Sadie Hawkins Day and the crowning of the Campus
5 Queen -- a thousand and one little details are the
6 exact copy of the American original, and I think this
7 pervasive influence may well in time take us over.

8 THE CHAIRMAN: You say they are making us
9 like Americans?

10 MR. KIRKCONNELL: Yes.

11 THE CHAIRMAN: Is there anything terribly,
12 desperately wrong about our being made like Americans
13 in some ways? We like creature comforts; we have
14 copied a lot of things they do. They have done things
15 in history over the last 20 years in a way no other
16 country has done, in the way of helping the rest of the
17 world. They have invested 70 billion dollars to help
18 them get on their feet. No other nation has ever done
19 that. Why are Canadians so terrified of becoming just
20 a little bit like Americans? We like their central
21 heating and their gimmicks. Some of us even like to
22 see Miss Marilyn Monroe -- I am not among those -- but
23 would we not have become North Americans subject to all
24 the influences -- geographic, historical -- if the
25 United States had not existed at all? We are trying
26 to get something to document our case, and that is all
27 I am asking, and when you come here and picture to me
28 the danger of imports of American magazines making
29 Canadians more and more like an American, I want some-
30 body to tell me what is so terribly wrong about that.



1
2 I go down to Cambridge and I walk about there and go
3 into the University at Harvard and I think there is
4 nothing like it in the world. I go up to Times Square
5 and see the crowds coming out of the movies at night
6 and I think the country is hopeless. But, this is what
7 we have to do; we have to rationalise this thing. There
8 are thousands of cliches going around about American
9 influence and all this sort of nonsense. What is the
10 danger? Are they going to take us over politically or
11 economically? I hear people saying the terrible thing
12 about these American factories, but I know if I go
13 along the Ottawa Valley to Carlton Place or Renfrew or
14 Smiths Falls and say, "would you like an American branch
15 factory here?", they would almost mob me before I left
16 town in their anxiety to get it. I think we have to be
17 fair when discussing these things and we have to document
18 our opposition. You are a man I would expect to document
19 it, but you have only repeated so far what we have heard
20 in a very general way from other witnesses.

21 MR. KIRKCONNELL: I think my attitude would
22 not be one of terror but one of sentiment. Having
23 grown up in a Canadian community, or Canadian communi-
24 ties, having grown up with some sense of Canadian
25 history differing in some regards from the history of
26 the United States, I would like to feel that for at
27 least the foreseeable future we may continue to have
28 a national history rather than becoming an extra State
29 or an extra ten States of a larger political union to
30 the south. I like many American things, as you do.



1
2 My idea of a holiday is a couple of weeks in Wagner
3 Library in Harvard. Two days in the catalogue room and
4 the rest of the two weeks in the stat. section is a
5 perfect outing for any scholar, and we can't duplicate
6 that in this country.

7 THE CHAIRMAN: Do you believe these things
8 you hold so dear, and rightly -- our political identity
9 and our national characteristics and our background and
10 traditions and sentiments and memories, and all the
11 milestones -- do you believe they are in danger?

12 MR. KIRKCONNELL: One reason why I feel
13 perhaps there is evidence they are in danger, some of
14 these information tests applied to students, even
15 college age, they seem to be more familiar with public
16 figures in the United States than they are with those
17 in their own country. This may point out some fault in
18 our educational system, though I think there is some
19 place for this made in most of our Provinces, but it
20 gives one pause when university undergraduates know
21 pretty well the story of American political life but
22 find it hard to identify our own Prime Minister or the
23 Leader of the Opposition. To tie this down to our
24 general periodicals may be a bit difficult.

25 THE CHAIRMAN: But you would hate to contem-
26 plate a Canada without a periodical press of our own?

27 MR. KIRKCONNELL: Of our own.

28 THE CHAIRMAN: And this, you think, would
29 constitute a real danger to the things you have been
30 talking about?



1
2 MR. KIRKCONNELL: I think these absorptive
3 things coming in by radio and T.V. and the American
4 periodical press would have an even freer field than
5 they have today.

6 THE CHAIRMAN: As a University Principal over
7 a number of years, have you seen among the young men and
8 women who come under your observation any weakening in
9 their devotion to Canada -- to the Crown?

10 MR. KIRKCONNELL: I would hate to put it as
11 flatly as that.

12 THE CHAIRMAN: Well, I will put it this way:
13 any weakening to the Canadian values you hold? Do you
14 see any weakening in allegiance to this?

15 MR. KIRKCONNELL: There again I have never
16 applied any particular tests which were applied, shall
17 we say, to my generation. There have been some educa-
18 tional investigations where one generation has been
19 tried against the other. I think in the City of Ottawa
20 the Canadian Education Association applied to this
21 generation of students tests their parents had taken
22 30 or 35 years ago, and the parents stood up rather
23 better. The interpretation is a matter for question:
24 either this generation may not have been working quite
25 so hard, or they may not be quite so bright. But,
26 that is the only case where I know exactly the same
27 sort of tests that have been made in the past was
28 picked up and tried today. Looking back to my under-
29 graduate days before the first world war, I find it
30 hard to know what to compare there with the students



1
2 today.

3 THE CHAIRMAN: If a plebiscite were taken in
4 the Province of Nova Scotia tomorrow on whether this
5 Province should become a State of the American union,
6 would it carry?

7 MR. KIRKCONNELL: It certainly would not.

8 THE CHAIRMAN: It would be overwhelmingly
9 defeated?

10 MR. KIRKCONNELL: Precisely.

11 COMMISSIONER JOHNSTON: One of the witnesses
12 before this Commission said in Ottawa the other week
13 that if we had no Canadian periodical press there would
14 be no Canada. I questioned him on that: I felt perhaps
15 there would still be a Canada; would you agree?

16 MR. KIRKCONNELL: Perhaps my statement here
17 was a bit extreme because there are other influences:
18 schools, universities, and there is the C.B.C., so far
19 as it operates. But, I think one important element that
20 can make for our national consciousness and our national
21 point of view would be missing.

22 COMMISSIONER JOHNSTON: And you think that
23 Canadian periodicals should have an even chance of
24 survival; that is, imported periodicals should not have
25 a special advantage?

26 MR. KIRKCONNELL: No; that is right. How to
27 accomplish it is the \$64 question.

28 COMMISSIONER JOHNSTON: Well, I was hoping
29 you would tell us the answer, because we haven't found
30 it yet.



1
2 MR. KIRKCONNELL: For academic periodicals
3 I think I may give you a hint: for things like the
4 Dalhousie Review, if our embassies and consuls around
5 the world were to take on subscriptions and circulate
6 these, I think you would get the mature Canadian point
7 of view and mature Canadian scholarships spread abroad,
8 but almost equally important you would strengthen these
9 publications back on the home base by having a much
10 larger subscription list. I know the Queen's Quarterly
11 had to be subsidised for 30 years before it reached the
12 point where it was breaking even, and part of the
13 trouble in this period, when costs of publication have
14 gone up so much, is simply being able to make the
15 printers' bills. If they could double their subscrip-
16 tions they would be in a much better state.

17 THE CHAIRMAN: How is the Dalhousie Review
18 maintained? Does it get a grant from the University?

19 MR. KIRKCONNELL: Not being closely associated
20 with Dalhousie I can't say. I think for a time there
21 was a subsidy from the University treasury, along with
22 the subscriptions.

23 THE CHAIRMAN: Do you think some agency like
24 the Canada Council could help our little magazines and
25 our university publications?

26 MR. KIRKCONNELL: I think that is definitely
27 coming up. For instance, the University of Toronto
28 Press has been contributing over \$17,000 to the little
29 journals published there, and there is some talk of
30 the Canada Council -- and I haven't seen the latest



1 figures -- by subsidy helping out in that red ink.

2
3 COMMISSIONER JOHNSTON: Do you see any indica-
4 tion in text books of a United States influence -- text
5 books your students use or high school students?

6 MR. KIRKCONNELL: It is not too obvious at
7 the university level. We import a great many books
8 from the United Kingdom which, in a sense, offset the
9 influence of American text books.

10 THE CHAIRMAN: We still win all the battles
11 of the civil war in our histories -- of the war of 1812.

12 MR. KIRKCONNELL: 1812-1814, yes.

13 COMMISSIONER JOHNSTON: I was brought up on
14 the Niagara border, and I have been trying to cast my
15 mind back to 1914 and 1917: it seems to me that the
16 boys I went to school with in a small town enlisted in
17 the Canadian Army. There were a few who went into the
18 United States Army later on, but they likely were
19 people whose roots were in the United States rather
20 than in Canada. Was that your observation? I have an
21 idea that you and I are about the same vintage.

22 MR. KIRKCONNELL: Yes, products of the Gay
23 Nineties.

24 COMMISSIONER JOHNSTON: But there was practi-
25 cally no periodical press in Canada up to 1915, anyway,
26 and yet we maintained a Canadian identity -- perhaps
27 with a little more emphasis on the British identity
28 than we have now. Macleans magazine was started later,
29 and the only periodical I remember around our house was
30 the Family Herald and Weekly Star, and yet we managed



1 somehow or other to keep the nine Provinces together.
2 Would you care to comment on that?
3

4 MR. KIRKCONNELL: At that time I think that
5 the old Louis loyalist traditions still had a good many
6 roots in upper Canada -- in Ontario. My mother found
7 it hard to forget her great-grandfather had been burned
8 out in the State of New York at Niagara-on-the-Lake in
9 the war of 1812, and that consciousness ran pretty wide
10 in Ontario a matter of 45 or 50 years ago. Since then
11 our Canadian population has been widened pretty greatly.
12 We have much more of a synthetic population than we did
13 then.

14 COMMISSIONER JOHNSTON: At the risk of boring
15 my fellow commissioners, I am going to quote you some-
16 thing from the testimony of a Mrs. Henley in Vancouver
17 the other day. She has been writing books for a good
18 many years and she used in this connection the saying
19 that you should love your neighbour but don't tear down
20 the fence, and she went on to add we have not only torn
21 down the fence but invited the neighbour into bed with
22 us. Have we gone that far? Can you see any indication
23 of the fence left?

24 MR. KIRKCONNELL: On the economic problems I
25 suggest there isn't much of the fence left. In the
26 matter of community habits and community points of view,
27 there has been a good deal of bringing the neighbour in,
28 but I think our sense of history is still strong enough.

29 THE CHAIRMAN: I hope you haven't been reading
30 Mr. Coyne too much.



1
2 COMMISSIONER JOHNSTON: At what school does he
3 teach history?

4 THE CHAIRMAN: At the Bank of Canada -- a very
5 prosperous university in Ottawa.

6 Thank you very much, sir, for a very interes-
7 ting contribution.

8 MR. KIRKCONNELL: Thank you.

9 --- Exhibit No. H.7: Submission of Mr. Watson Kirkcon-
10 nell.
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1 Submission by The Dartmouth Free Press

2 Appearances: Ralph Morton, Publisher.

3 Ruth Morton, Editor.

4 MR. MORTON: Mr. Chairman, I am Ralph Morton,
5 the publisher of The Dartmouth Free Press, and this
6 brief is submitted jointly by myself and my wife, Ruth
7 Morton, the editor of The Dartmouth Free Press.

8 The appearance of a weekly newspaper before
9 this commission may seem incongruous were it not for the
10 fact that we are in the field of communications, are by
11 nature conditioned to tilt at windmills, and feel deeply
12 concerned with the problem of evolving a Canada where
13 the people have a sense of being Canadian, rather than
14 Maritimers, Upper Canadians, and Westerners.

15 The development of national periodicals in
16 Canada has been hard uphill and hungry work. That they
17 have developed to the extent they have in face of stiff
18 competition from across the border is creditable, even
19 wonderful. We would not wish to see that competition
20 limited. However, the more recent developments in this
21 field can only be viewed as sinister; where big circula-
22 tion American periodicals have been using the Canadian
23 market as a dumping ground for what marginal benefits
24 in circulation as could be obtained with the least
25 possible effort and the least outlay of money. Canadian
26 periodicals cannot compete with the deluge of mail that
27 is precipitated into our mail boxes for weeks before and
28 months after an American periodical subscription is due
29 to lapse.
30



1
2 Sinister also is the highly successful venture
3 by American periodicals flying their plates to Canada,
4 printing here, and selling Canadian advertising in the
5 so-called Canadian editions. This has proved so success-
6 ful a field that it can only be a matter of time before
7 other large circulation American periodicals will find
8 it profitable to do the same; and the competition for
9 the advertising dollar, on which our periodicals as well
10 as our weeklies depend, will be spread even thinner. The
11 future of Time magazine and Reader's Digest in no way
12 depends on their advertising contracts in Canada. The
13 future of our own periodicals does.

14 While this much is obvious to the normal
15 reader, the Financial Post says that this policy is
16 spelling economic disaster to many publications in
17 specialized fields -- industrial, trade, technical and
18 professional; because American publishers in these areas
19 are beginning to exploit more fully the techniques of
20 special editions, split runs, and Canada-only advertising
21 drop-ins.

22 American publications mailing their periodi-
23 cals across the border are allowed special postal rates
24 that mean that a magazine published within a 1,000 mile
25 radius of publication point can mail at less cost than
26 it would take to mail the same magazine in their own
27 country. Ironically the Post Master General explains
28 these special concessions as "The desire of Americans to
29 encourage their influence abroad" and "The wish to encou-
30 rage continued growth of the world market for printed



1
2 materials which spread American ideals, culture, and
3 facts abroad." It is fair to state that they have
4 achieved this objective all too well, and many Canadians
5 are better informed on the American way of life than
6 they are of their own.

7 Canadians need to be introduced to themselves;
8 and one of the prime means of achieving this must be our
9 own periodicals; where Canadians from all parts of the
10 Dominion speak to each other and share experience, argue
11 out differences, and develop a culture that is common to
12 us and not imported for our consumption.

13 There are only a handful of Canadian writers,
14 other than those in the newspaper field, who earn their
15 livelihood by their writing. They need whatever outlets
16 they can find; and our own periodicals, inadequate as
17 they are at present, are the main outlet available to
18 them.

19 The Canadian Broadcasting Company has proved
20 in relatively few years that when the medium is available,
21 the talent will develop. Early days of Television broad-
22 casting brought only a few good Canadian scripts to the
23 public; they were for the most part limp, lifeless, and
24 amateur. In recent years, we have reason to be proud
25 of many scripts originating everywhere from Nova Scotia
26 to British Columbia. We have felt that this was the
27 voice of Canada, the feel of Canada, and the soul of
28 Canada. And we have been proud to have them exported.

29 The Canadian writer has no such outlet for his
30 talent. Present periodicals do what they can, but



1
2 probably would be the first to admit that they are
3 inadequate to the task of providing a show case for, or
4 fostering talent on a Nation wide scale. Even as a
5 weekly, we receive many manuscripts of merit and promise;
6 and there are so pathetically few outlets to refer them
7 to. It has been a matter of some pride to us that in
8 our six years of operation we have brought on three
9 writers who after a period of rather absent minded tute-
10 lage from us, have gone on to have articles published in
11 national periodicals. Having coached these writers, we
12 would like to say that many Canadian periodicals are
13 doing a really fine job on their rejection slips. We do
14 not mean to be facetious -- we have read a good many of
15 them, and they frequently give sound and constructive
16 criticism that is of great benefit to these budding
17 writers.

18 The point remains that there are far too few
19 Canadian periodicals to give proper outlet to the talent
20 that exists; and if matters continue as they are, there
21 can be no hope of new ones; and even serious doubt if
22 the ones we now enjoy can continue to operate.

23 There are many facets to this complicated
24 problem dealt with by other submissions to this commis-
25 sion. Frankly, the hectic business of putting out a
26 weekly we have not had time to study them completely;
27 but two matters do strike us as of prime interest. The
28 tendency of American publications to "Canadianize" their
29 content by inserting Canadian coverage; which while it
30 is in part written here, is edited and chosen across



1 the border. New York deciding what is outstanding in
2 Canadian news and piping it back to us is ludicrous and
3 dangerous; not that they don't do a pretty good job of
4 it -- but with their aggressive circulation policies with
5 which we cannot compete, they command a reading public in
6 Canada substantially larger than our own publications.
7 To many uncritical readers, this is as much the voice of
8 Canada as any of our own magazines. If we are to have
9 our market flooded with American magazines, let us at
10 least have them "straight," and not pseudo-Canadian.
11 We have nothing in particular to fear from American
12 culture or influence, in fact we are better off than
13 our American neighbours in knowing a great deal more
14 about them, and their way of life than they do about us;
15 but our own publications must not suffer.

16
17 The second matter of deep concern to us is the
18 advertising picture. Without advertising, we can have
19 no periodicals of our own; with advertising revenue
20 squeezed to a small trickle by patently unfair competi-
21 tion from across the border the hard won standards we
22 have managed to attain can only deteriorate. What can
23 only be a fringe benefit to high circulation American
24 publishers can well mean slow but inevitable starvation
25 to Canadian periodicals.

26 Canada is far behind the United States when it
27 comes to the use of advertising. With us there are just
28 so many advertising dollars to go around; and with
29 American publications either selling their complete
30 magazine or reaping profit from split-runs, the Canadian



1 advertiser is solicited at a great advantage to the
2 publisher as his basic costs have been absorbed in the
3 U.S.
4

5 The situation is already grim for the adver-
6 tising salesman trying to sell space in a national maga-
7 zine; it can only get grimmer as this highly lucrative
8 trend lures more and more American periodicals into the
9 market. Serious as it is at present, it can only
10 become worse.

11 Protection is not a popular word in the Mari-
12 times. We feel that as one of the less economically
13 prosperous provinces of the Dominion we have suffered
14 from it in undue proportion, but protection we have and
15 on protection Central Canada has prospered. We in the
16 Maritimes also entertain a stubborn pride in education
17 and literature. A good deal of Canada's better litera-
18 ture has had its origin here, and for this we want the
19 protection that is afforded to any other type of commo-
20 dity that is manufactured in Canada. Subsidies is
21 another word in ill-repute. We do not feel that our
22 periodicals should be subsidized, as our radio and
23 television are. We feel that allowed to do business
24 without multiple strikes against them, our magazines
25 can and will stand on their own feet and grow in value
26 and influence.

27 This influence is of the greatest importance
28 in a land sprawled in a narrow band across a continent
29 where our geography has tended to make us fiercely
30 regional. Great strides have been made in recent years



1
2 in bridging the gaps between us, and for this much
3 credit must be given to our national periodicals. Apart
4 from the heavily subsidized radio and television, they
5 are our only cohesive force; and we would be poor expo-
6 nents of the written word if we did not firmly believe
7 that there is more influence and more impact in the
8 published picture and the published word than there is in
9 the fleeting impression of either radio or television.

10 The image of Canada is only beginning to
11 emerge, and it will be a distorted image indeed if our
12 own best brains and talent do not have the shaping of it.
13 It cannot be shaped from New York or Philadelphia.

14 These then, are the chief reasons that we feel
15 that the utmost consideration should be given to the
16 briefs presented before this commission on behalf of
17 Canadian periodicals. The bare facts are that if things
18 continue as they are Canadian magazines may very well
19 disappear. We feel the problems that beset the national
20 publisher, do not beset us. We feel we are deeply
21 interested parties in that we speak for legions of
22 Canadians who will not be heard by this commission but
23 feel essentially as we do. As a people, we must have a
24 healthy national press with a potential for growth at
25 least equal to the potential of this country.

26 At a time when relations between Canada and
27 the United States are showing more strain than usual,
28 it is a pity that this matter should be brought before
29 the attention of the general public; and while we regret
30 the necessity of it, we feel that it is indeed a



1
2 necessity, and an urgent one. It was heartening to
3 note that a recent issue of MacLean's Magazine, which
4 has suffered from this unfair competition as much as any
5 periodical, devoted the entire issue to explaining
6 America to Canada. If we can judge from the climate in
7 our own community, this was an unpopular issue that may
8 well cost them circulation. And if we can judge from
9 the letters to the editor following the issue, we can
10 see that it did a great deal of good. If we cannot live
11 with, and make some effort to understand our next door
12 neighbour -- who can we live with. That MacLeans
13 should have tackled this problem and have done so excel-
14 lent a job in bringing the American picture into focus
15 at a time when its future was in jeopardy from American
16 publishing practises, is a credit to it. This is the
17 type of journalism we want in our national press, and it
18 must be given a fair break if it is to live and thrive.

19 COMMISSIONER JOHNSTON: Mr. Morton, you will
20 allow me to congratulate you on your brief. From my
21 point of view there is nothing much to argue about.
22 There are just one or two minor questions: "American
23 publications mailing their periodicals across the
24 border are allowed special postal rates..." I don't
25 think they get special postal rates, do they?

26 MR. MORTON: Well, perhaps it is special in
27 the way that they are made special for Canadian publi-
28 shers, and I don't know how they compare with their own,
29 but aren't they cheaper than what they would get in the
30 zone rates in the United States?



1
2 COMMISSIONER JOHNSTON: Yes, I think that is
3 so.

4 MR. MORTON: That is the meaning we intended
5 there.

6 COMMISSIONER JOHNSTON: Well, you have fallen
7 into your own trap: you say "the Postmaster General":
8 you mean the United States Postmaster General?

9 MR. MORTON: Oh. We have lived for 17 years
10 in the United States, so we talk that way.

11 COMMISSIONER JOHNSTON: Have you had any
12 experience in sending any fiction to the Canadian perio-
13 dicals?

14 MR. MORTON: Back many years ago; I think I
15 submitted -- in my salad days we sent them a piece of
16 material and got a rejection slip.

17 COMMISSIONER JOHNSTON: Someone told me
18 recently that a good Canadian magazine was sending
19 fiction back to young writers with the statement they
20 were only buying from established writers: you have not
21 heard that?

22 MR. MORTON: I have heard that reported years
23 ago; not much of it in recent years.

24 COMMISSIONER JOHNSTON: It would not be much
25 encouragement for the young writer.

26 MR. MORTON: I hope that is not true.

27 COMMISSIONER JOHNSTON: You don't think that a
28 Canadian publication can be edited from New York?

29 MR. MORTON: It can, but it is not a type of
30 Canadian publication I would prefer reading.



1
2 COMMISSIONER JOHNSTON: Have you seen any
3 indication of Canadian advertising agencies giving
4 preference to American publications rather than to
5 Canadian -- or, Canadian advertising?

6 MR. MORTON: I am not familiar enough with
7 that, but I would assume an advertising agency in
8 Toronto or Montreal would be swayed very much by proven
9 A.B.C. circulation figures. If Reader's Digest has
10 quite a large circulation I would think it would get
11 preference from any agency.

12 COMMISSIONER JOHNSTON: Do you know how many
13 Canadian weekly newspapers there are?

14 MR. MORTON: Yes, something like 700. There
15 are 550 in the Canadian Weekly Newspaper Association.

16 COMMISSIONER JOHNSTON: You are a member of
17 that Association?

18 MR. MORTON: Yes, I am the President of the
19 Nova Scotia Weekly Association which is affiliated.

20 COMMISSIONER JOHNSTON: Would you think the
21 aggregate circulation of these 700 papers would be more
22 than the aggregate circulation of Reader's Digest?

23 MR. MORTON: Yes.

24 COMMISSIONER JOHNSTON: Would you think a
25 Canadian advertiser using the weeklies would get as good
26 value out of the aggregate of the weeklies as he would
27 get out of Reader's Digest?

28 MR. MORTON: I think he would get more because
29 readership is very high in weeklies, but it is a very
30 cumbersome method of tying up so many publications.



1
2 COMMISSIONER JOHNSTON: It is more work for
3 the advertising agency?

4 MR. MORTON: Yes, it is almost impractical to
5 get as many included; there are so many manufacturers
6 and advertisers who think that.

7 COMMISSIONER JOHNSTON: So, a Canadian adver-
8 tiser anxious to promote Canadian publications, weekly
9 or otherwise, would perhaps make a special effort to
10 use weeklies and other Canadian publications?

11 MR. MORTON: Yes, I think they do, and we have
12 a division of our weekly group known as Class A news-
13 papers which is composed of what we like to think are
14 the top 65 weeklies across Canada with the largest
15 A.B.C. circulation, and they are sold by our representa-
16 tives in Montreal, Toronto and Vancouver on a flat basis
17 as a combined group.

18 COMMISSIONER JOHNSTON: Are you a member of
19 the Class A?

20 MR. MORTON: Yes.

21 COMMISSIONER JOHNSTON: And this is a boost
22 for Class A?

23 MR. MORTON: Yes, sir.

24 COMMISSIONER JOHNSTON: Do you think that the
25 infiltration of the U.S. magazines into Canada, with
26 their advertising of U.S. gadgets and appliances, and
27 so forth, work a disadvantage on the Canadian manufac-
28 turers of similar gadgets and appliances?

29 MR. MORTON: Yes, I would think so.

30 COMMISSIONER JOHNSTON: You have in this



1
2 Province a stove manufacturing company?

3 MR. MORTON: That is correct.

4 COMMISSIONER JOHNSTON: It would be utterly
5 unable, economically, to advertise in United States
6 magazines?

7 MR. MORTON: That is true.

8 COMMISSIONER JOHNSTON: There would be so
9 much waste circulation?

10 MR. MORTON: Yes.

11 COMMISSIONER JOHNSTON: And yet, the appli-
12 ances they compete with are advertised in Life and Time?

13 MR. MORTON: That is right, with colour
14 plates and very expensive artwork with high prestige in
15 selling appeal.

16 COMMISSIONER JOHNSTON: So this trying to
17 solve the problem of the Canadian periodicals would
18 help the Canadian manufacturers of household appliances?

19 MR. MORTON: That is right.

20 COMMISSIONER JOHNSTON: And other consumer
21 goods?

22 MR. MORTON: I should put in a plug for my
23 friend Brigadier Wardell: we have our own magazine,
24 The Atlantic Advocate, which they get in this region
25 for less cost.

26 COMMISSIONER JOHNSTON: It is unfortunate you
27 were not here this morning, because the Brigadier
28 doesn't want any help from anybody.

29 MR. MORTON: That is typical of him.

30 COMMISSIONER BEAUBIEN: At page six at the



1
2 bottom of the first paragraph, you say: "We feel that
3 allowed to do business without multiple strikes against
4 them, our magazines can and will stand on their own
5 feet and grow in value and influence." Would you elabo-
6 rate on "multiple strikes against them", and tell us
7 possibly how we could get around that?

8 MR. MORTON: I think what we are referring to
9 there is the split-runs. I understand the Saturday
10 Evening Post and some other publications can at little
11 cost to themselves stop their presses and put in
12 Canadian advertising and plates at much less cost for
13 the Canadian distribution. That is an advantage that
14 our own magazines haven't got. The tremendous gearing-
15 up of selling circulation through the mails and gadgets
16 and telegrams and the type of thing they have prepared
17 for a mass market in the United States, that they can
18 just dump the same thing here, whereas the Canadian
19 publisher could not possibly compete with all these
20 manufactured pieces that make for getting more circula-
21 tion through the mails, and the unfairness, to my mind,
22 of mass circulation and world circulation magazines like
23 Reader's Digest coming here with very few changes -- it
24 doesn't seem to be fair competition.

25 COMMISSIONER BEAUBIEN: Would you give us
26 some suggestions as to how this situation could be
27 rectified?

28 MRS. MORTON: I would like to say it is very
29 simple, and probably it is so simple I have confused
30 myself, because I don't understand much about this



1 except the fundamental that affects anybody in the
2 publishing business: we would like to put out a much
3 better paper than we do. We can't because we can't
4 sell the advertising to do those things. This is the
5 position our national periodicals find themselves in.
6 It is a rat race. They reject many manuscripts; I
7 think they only tend to use proven writers. They can't
8 afford to experiment. I think they can grow, and it
9 seems to me they should be allowed to grow on the
10 advertising dollar the Canadian manufacturer spends.
11 But, we just go round in a circle. I can't see anything
12 too complicated. I don't think the American publications
13 should be allowed to come in and take the cream off our
14 advertising dollar. They do nothing to develop our
15 young writers. The only hope we have is to bring along
16 our national periodicals, and they can't do it without
17 the advertising. It is a vicious circle.

18
19 COMMISSIONER BEAUBIEN: Would you have
20 American magazines taking Canadian advertisements in
21 Canada?

22 MRS. MORTON: In the way they take them at
23 the present time?

24 MR. MORTON: That is, flying plates to Canada
25 and the split-runs -- all the unfair things. In other
26 words, if American magazines were publishing a magazine
27 on the same basis as Canadians, then it would be fair
28 competition. But, they are not. They are dumping
29 certain great advantages from a massive country along-
30 side of us. To us, that is unfair.



1
2 COMMISSIONER BEAUBIEN: Would you suggest
3 that the entry of overruns and split-runs be prohibited?

4 MR. MORTON: I don't like to use the word
5 "prohibited", but we think it should be on the same
6 basis. "Prohibited" perhaps, but on the same basis of
7 cost. In some way the balance should be met.

8 COMMISSIONER JOHNSTON: In Vancouver we had
9 a witness who claimed that the real difficulty is that
10 the American magazines dump their editorial content on
11 us at practically no cost.

12 MRS. MORTON: That is also true, of course.

13 COMMISSIONER JOHNSTON: Reader's Digest pays
14 \$1,500 for an article and they charge their Canadian
15 edition a little less than 5 per cent or \$75. No
16 Canadian publication could possibly do that?

17 MR. MORTON: Could produce that quality for
18 \$75; that is what I think is unfair.

19 COMMISSIONER JOHNSTON: How are we going to
20 cure this?

21 MRS. MORTON: We can protect other manufac-
22 turers who are manufacturing articles; we can give
23 them all sorts of protection. Why can't we give our
24 own magazines protection on this?

25 COMMISSIONER JOHNSTON: Well, you have given
26 us food for thought. Thank you very much.

27 THE CHAIRMAN: A very fine contribution, sir;
28 thank you.

29 --- Exhibit No. H.8: Submission of The Dartmouth Free
30 Press.



Submission of CJCH Limited, Halifax

Appearances: Mr. Don Hildebrand, Assistant General Manager.
Mr. Joe King, News Director.

MR. HILDEBRAND: Mr. Chairman and members of the Commission, my name is Don Hildebrand and I am the Assistant General Manager of the company and I will present this brief which is our corporate belief. Mr. McDonald, the President of CJCH would like me to apologise for his absence this afternoon, but he is in Ottawa at a hearing of the B.B.G.

Just before I start this written brief, I would like to make a comment on the presence of Mr. and Mrs. Morton and Brigadier Wardell. We are delighted to see them here as very capable and competent Maritime publishers with, in this case, differentiating opinions. However, we would like to add that references have been made in submissions to date where the press, radio, magazines and television have all been lumped together, and where this lumping has been referred to in the field of radio and television the C.B.C. has been mentioned, but I hasten to point out there are private stations in this country far greater in number than the corporation which equally represent the Canadian way of life.

INTRODUCTION. This presentation is made on behalf of CJCH Limited, operators for fifteen years of radio station CJCH, and licensees for the new second-channel television station in Halifax.

We should first explain the reason for our presentation. Periodical publications and radio and



1 television make strange bedfellows. Indeed, if we were
2 to consider only dollars and cents, a business-like
3 attitude would dictate that we say "Let them go hang."
4 We are all competing for portions of the same adverti-
5 sing dollar; consequently the disappearance of any claim
6 on that dollar by the periodical press would likely work
7 very much in our favor financially.

8
9 Furthermore, we private broadcasters have
10 little to thank Canadian periodicals for. Most Canadian
11 consumer magazines editorially have considered that the
12 production of useful and significant programs should
13 continue to be solely entrusted to a public agency.
14 Their attitude toward private broadcasting has been
15 well this side of idolatry. One is reminded of the words
16 of the Newfoundland broadcaster, Don Jamieson, who had
17 this to say before the Western Association of Broadcas-
18 ters some three years ago -

19 "Canada's newspapers and magazines have waged
20 a long and admirable defence of freedom. Yet many are
21 reluctant to support the private broadcasters. In the
22 early days, their advocacy of state control may have
23 stemmed from a fear of competition. This would have
24 been understandable though perhaps not excusable.

25 "Today such an attitude has no validity.
26 Still it continues to be fairly widespread. Suppose
27 the broadcast regulations were applied to publishing.
28 There would be an editorial wail from coast to coast.
29 Imagine telling a publisher how many lines of adverti-
30 sing he could run to a page - or that a certain portion



1 of his copy had to be written by the local school of
2 journalism - or that his editorial page must give way
3 to a feature on the sex life of the Canadian Eskimos."

4 That from braadcaster Don Jamieson who finds
5 that newspapers - and magazines - have rarely searched
6 to find that which we have in common.

7 So once more, with greater emphasis,

8 Why are we here?

9 We make this presentation because we are
10 influenced by broader thoughts than the ones we've just
11 expressed. We recognize that four media - radio, tele-
12 vision, the newspapers and the periodical press - are
13 responsible for production of the bulk of what we must
14 call the Canadian literary arts. Each segment of the
15 whole is important if Canadian writing talent is to be
16 encouraged and strenthened. Take away one part of the
17 whole and the remainder is inevitably that much weaker.

18 Consequently our purpose in appearing here is
19 not to bemoan the cooking of the "Canadian periodical"
20 goose, but the cooking of the "Canada goose".

21 THE SITUATION. Previous submissions to this
22 Commission indicate the critical condition in which the
23 periodical press of this country finds itself. We do
24 not intend to review it in detail.

25 The Maclean-Hunter submission suggests to us
26 that Canadian magazines are afloat simply because they
27 are thrown a life-preserver by their associated trade
28 publications. The picture painted for the Commission
29 in bold brush strokes indicates that unless the trend
30



1
2 is changed - and changed soon - publishers may have
3 second thoughts about continuing with the remnants
4 still functioning in this field.

5 It seems regrettable that, at a moment when
6 Canadian television is making seven-league-boot strides
7 ... when newspapers and radio generally are stable ...
8 that this fourth segment of the literary arts pie should
9 find itself in virtually desperate circumstances.

10 The fact that the number of magazines in this
11 country has been reduced by unfair American competition
12 to its 1960 handful further limits opportunities for
13 Canadian writers, artists and photographers to find
14 expression ... and just as important, to make a living
15 ... by working at their craft. Opportunities are limited
16 enough in Canada for writers without reducing them still
17 more.

18 We must acknowledge at this time the contribu-
19 tion that Canadian magazines have made to the arts in
20 general, and literature in particular. Many of this
21 country's most successful authors have had their begin-
22 nings through contributions to magazines. Others have
23 been able to continue in the writing field through part
24 sustenance obtained through part-time magazine author-
25 ship. The encouragement of embryo writers by early
26 success in a magazine can rarely be overestimated.

27 The Canadian press which publishes art, poetry,
28 fiction, etc., is providing something akin to a stage for
29 the actor. No stage ... no actor. Writers must have
30 opportunities. And the disappearance of one entire



1 market for their efforts is a backward step in our
2 developing Canadianism.

3 It doesn't make sense that the Canada Council,
4 whose primary consideration is development of a distinc-
5 tive Canadian contribution to the arts, should go along
6 with a prescribed Canadian content in television while
7 at the same time another stage - Canadian magazines - is
8 allowed to go down the drain.

9 Apparently we have come to this fork in the
10 road due (primarily but not entirely) to the adoption of
11 new publishing practices by United States firms.

12 Now, in tackling this problem we do NOT for
13 one moment suggest that there be any interference with
14 the flow of American magazines across the border.
15 Canadian life would be poorer were many of these to
16 disappear.

17 We do, however, have a logical bone to pick
18 with the U.S. magazine masquerading as a Canadian publi-
19 cation. By this we mean the American magazine which,
20 after preparation south of the border, is delivered to
21 this country (either in manuscript form or ready for
22 printing) to be wrapped around a thin core of Canadiana
23 and immediately transformed into a Canadian magazine
24 with a capital C, with patriotic slogans marching up
25 and down the binding. The purpose of this pseudo-Can-
26 dianism is, of course, the seizure of a fat bundle of
27 advertising from Dominion firms. Its ultimate effect
28 appears to be the virtual destruction of our periodical
29 press.
30



1 The proposition of advertising in the big
2 American magazine is attractive to the Canadian concern.
3 It's partly a matter of prestige. And the ads are sold
4 to Canadian companies at comparatively bargain basement
5 prices. This inevitably drains the advertising budgets
6 away from our own side of the publishing scene. It
7 might be described as a refined form of dumping.

8 The U.S. publisher is giving his Montreal or
9 Toronto office a virtually made-up package. His actual
10 expenditures in this country are comparatively nominal.
11 His product is paid for by the American advertiser.
12 Whatever extra Canadian dollars and cents he picks up,
13 plus exchange, is reasonable to describe simply as
14 "gravy". The advertiser north of the border gets some-
15 thing of a bargain - at the expense of his American
16 counterpart. We wonder if U.S. advertisers are aware of
17 the situation.

18 On the other hand, while Reader's Digest, for
19 example, is able to distribute an article in Canada at
20 no extra cost to itself, one of our own magazines -
21 such as Saturday Night - has only a limited Canadian
22 circulation on which to recover its cost on an article.
23 Inevitably our prices for submissions must suffer. Then
24 our better authors are compelled, if they are to eat
25 regularly, to seek elsewhere for markets for their pro-
26 duction. In further projection, the writer likely
27 follows his article physically ... emigrating to our
28 great southern neighbor.

29 The suffering periodical press consequently
30



1 is only able to contribute disproportionately to the
2 task it does in company with radio, television and the
3 newspapers; that is, reporting Canadian history and tra-
4 ditions and telling the story of Canada's national life
5 and achievements. This is a task that only Canadians
6 themselves can do. Americans can't do it for us. We
7 don't need them to do it. We don't want them to do it.

8
9 It is blatantly apparent that if we don't move
10 to defend the things that are distinctly Canadian, we
11 will quickly have nothing to defend.

12 CONCLUSION. We are broadcasters. We do not
13 pretend to be sufficiently familiar with the facts of
14 this complicated situation as it applies to the publi-
15 shing industry. At the same time, the publishing indus-
16 try itself, we know, plans to make some recommendations
17 before the Commission concludes its sittings.

18 At the same time, it would appear to us that
19 the scale must somehow be balanced more fairly on behalf
20 of our own periodical publications. The answer may lie
21 in imposition of a tariff on Canadian advertising sec-
22 tions of American magazines NO MATTER WHERE THEY ARE
23 PRINTED.

24 Then there appears to be the question of
25 Canadian postal rates. American magazine publishers
26 are permitted to truck their circulation in this country
27 to a point in the Dominion and then mail their periodi-
28 cals out at the advantageous rate. We understand that
29 this division of the Canadian postal service shows a
30 deficit of \$21,000,000 annually.



1 We are further given to understand that
2 American publications using this class of mail outweigh
3 (not outnumber) their Canadian counterparts eight to
4 one. In other words, one must draw the inevitable
5 conclusion that eight-ninths of that deficit (or approx-
6 imately \$18,000,000) is due to U.S. companies' use of
7 our under-cost services. The Canadian taxpayer then is
8 subsidizing delivery of these publications. The Commis-
9 sion might consider this point and verify the facts
10 involved.

11 Apparently, some cooperation is required
12 governmentally to assist our Canadian periodicals. At
13 the same time, broadcasters must be bold in their field
14 of programming and can recommend that same course to our
15 magazines.

16 Canada still is a land of adventure. Why not
17 make our magazines so, too? Are our publications
18 reaching out for what is within their grasp? Or are
19 they sedately content to embrace firmly their tried and
20 true standbys? Has the Canadian public not read practi-
21 cally all there is to be learned from Frank Underhill,
22 Nathan Cohen, Mavor Moore, Blair Fraser, et al? A
23 talented but, at this stage, a rather tired group.

24 Where are the new Canadian writers? Can
25 these sore troubles of our times lead our magazines on
26 to a new path - one that leads onwards and upwards?
27 The promise of artistic creativeness was never greater
28 as the population of our land pushes past the eighteen
29 million mark.
30



1
2 To our minds, this is the threshold of a pro-
3 mising new era in Canada. We in broadcasting intend to
4 take the fullest possible advantage of it. We trust
5 that we will be accompanied along the same path by a
6 stronger, more stimulating Canadian periodical press.

7 November 30, 1960.

8 COMMISSIONER JOHNSTON: Mr. Chairman, I can't
9 argue with somebody who says everything I believe.

10 THE CHAIRMAN: Gentlemen, I have acted as the
11 devil's advocate already today. There is only one state-
12 ment I object to, really: you quote this gentleman Don
13 Jamieson as saying what a wail there would be from coast
14 to coast if the Government started telling publishers how
15 many lines of advertising they could print. I point out
16 there is a vast difference between a newspaper and a
17 radio or T.V. station. Anybody at any time, if he has
18 enough money, can start a newspaper; but, a channel,
19 as you well know and I well know, is a monopoly and a
20 special privilege, and that is a vast distinction.

21 Thank you very much for a most challenging
22 and splendid submission.

23
24 --- Exhibit No. H.9: Submission by CJCH Limited,
25 Halifax.



Submission by Mr. Bennett

MR. BENNETT: Mr. Chairman, my name is C.L. Bennett. I am from Dalhousie University and I edit the Dalhousie Review, but I am here as a private person although with the knowledge and approval of my directors of the Dalhousie Review in some things I shall say.

I have no brief. As I have indicated to the Commissioners, I will be glad to answer questions, and I would like to make one statement.

THE CHAIRMAN: Proceed, please.

MR. BENNETT: The statement I would like to make, sir, is this: that originally we had intended from the Dalhousie Review, by agreement between the editors and the directors, to submit a brief. We studied carefully the reports that came to us including one or two submissions which we were permitted to see, and our impression was that our particular problems on the Dalhousie Review did not at that time appear to come within your terms of reference, and we could not help you by discussing problems already being excellently stated by other witnesses and towards which we could offer no sort of solution. Lately, however, through the kindness of your Secretary I was able to see the brief submitted by Canadian Literature recently established in British Columbia, and I immediately conveyed that to the President and Secretary of our directors, and they authorised me to say that the two specific recommendations made by Canadian Literature at page 82 lines 12 and 30 not only have the approval of the Dalhousie Review but would have been included in our brief



1 had we gone through with our original plan.

2 I would like to say I have been in consultation
3 during the last week or so with President Kirkconnell of
4 Acadia and, speaking as he does, as a private citizen,
5 I would like to thank him for having said better some
6 things I would wish to have said.

7 THE CHAIRMAN: Sir, I don't know if you did
8 me the honour of reading the remarks I made after the
9 submission was made in British Columbia?

10 MR. BENNETT: I did.

11 THE CHAIRMAN: Well, will you take them as
12 read here again?

13 MR. BENNETT: I will, and thank you very much.

14 THE CHAIRMAN: And thank you very much for
15 coming, sir. As I said then, the little magazines and
16 university magazines are very much after my own heart.
17 I think they represent to a very great extent our
18 Canadian life, and if there was anything I could do for
19 them as a Government, I would like to do that.

20 MR. BENNETT: You asked a question of Doctor
21 Kirkconnell concerning the Dalhousie Review: was it
22 subsidised? It has been subsidised. At the moment we
23 are paying our way but only because most of our opera-
24 tions are a part-time avocation of people paid very
25 little. Paradoxically, we can't expand without putting
26 ourselves out of business. Our circulation is low and
27 we can't afford to increase it.

28 THE CHAIRMAN: Thank you very much.

29 Ladies and gentlemen, we are pressed for time
30



1 and we have to catch a 'plane. Our flight is cancelled
2 and the only way we can get back is to get on an earlier
3 'plane. Thank you all for coming; you have all been
4 very interesting and very helpful and, as I said this
5 morning, everything you represented to us will get our
6 very closest attention. Thank you again, and again our
7 thanks to the Government of Nova Scotia for this very
8 wonderful setting.
9

10 --- Adjournment.
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ROYAL COMMISSION ON

Publications

HEARINGS

HELD AT

MONTREAL

VOLUME No.:

DATE:

13

DEC 5 1960

OFFICIAL REPORTERS

ANGUS, STONEHOUSE & CO. LTD.

372 BAY STREET
TORONTO

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I N D E X

SUBMISSIONS:

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MONTREAL STANDARD PUBLISHING COMPANY, Mr. M. Farrell,	113 - 150
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EXHIBITS:

No.	Description	p.p.
1	Brief of National Business Publications Ltd.	11
2	Summary of submissions of National Business Publications & recommendations	30
3	Brief of Canadian Pulp & Paper Co.	38
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ROYAL COMMISSION ON PUBLICATIONS

Proceedings of hearings held at
the ICAO Building, Montreal, Quebec,
on Monday, December 5th, 1960, et seq.,
at 10:30 a.m.

---O---

COMMISSIONERS:

M. GRATTAN O'LEARY	Chairman
J.G. JOHNSTON	Member
C.P. BEAUBIEN	Member
MICHAEL PITFIELD	Secretary
G. QUINN	Administrative Officer

---O---

THE CHAIRMAN: Gentlemen, we will come to order.

THE SECRETARY: Copie certifiée du proces-verbal d'une assemblée du Comité du Conseil Privé, approuvées par Son Excellence le Gouverneur-général, le 16 Septembre, 1960.

Le Comité du Conseil Privé a pris connaissance d'un rapport du Très Honorable John G. Diefenbaker, le Premier Ministre, signalant:

Que les magazines et périodiques canadiens ajoutent à la richesse et à la diversité de la vie canadienne et sont essentiels à la vie culturelle et à l'unité nationale; et

Qu'on a prétendu que la concurrence injuste provenant de périodiques étrangers de toutes sortes a porté préjudice à la publication de magazines canadiens.

En conséquence, le Comité, sur la recommandation du Premier Ministre, stipule que:

M. Grattan O'Leary de la ville d'Ottawa

John George Johnston de la ville de Toronto, et

Claude P. Beaubien de la ville de Montréal

sont nommés Commissaires en vertu de la Partie 1 de la Loi des Enquêtes

(a) pour enquêter et faire rapport sur la

situation récente et présente, et les

perspectives de magazines et autres périodiques

canadiens, avec considération spéciale mais non

exclusive aux problèmes créés par la concurrence

de publications semblables qui sont en grande partie ou entierelement publiees en dehors du Canada et dont le contenu est en grande partie ou entierelement etranger; et

- (b) pour faire des recommandations au gouvernement sur les mesures qu'il pourrait adopter qui, tout en respectant la liberte de la presse, contribueraient a un plus grand developpement de l'identite canadienne par la publication de periodiques essentiellement canadiens.

Le Comite stipule egalement:

1. Que les Commissaires soient autorises a exercer tous les pouvoirs qui leur sont conferes par l'article 11 de la Loi des Enquetes avec la pleine et entiere collaboration des ministeres et agences gouvernementaux;
2. Que les Commissaires adoptent tels procedes et mesures qu'ils pourraient, de temps a autre, juger expeditifs pour la conduite efficace de l'enquete et qu'ils siegent aux temps et aux lieux, au Canada, selon qu'ils le jugeront a propos de temps a autre;
3. Que les Commissaires soient autorises a retenir les services de tout Conseil, personnel et conseillers techniques dont ils auront besoin, au taux de remuneration et de remboursement sujet a l'approbation du Conseil du Tresor;

4. Que les Commissaires fassent rapport au Gouverneur en conseil, dans un delai raisonnable, et remettent a l'archiviste du Canada, les documents et dossiers de la Commission, aussitot que possible apres la fin de l'enquete; et

5. Que M. Grattan O'Leary soit president de la Commission.

R.B. Bryce,
Greffier du Conseil prive.

Ladies and gentlemen, the following is an excerpt from a Minute No. P.C. 1960-1270 of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 16th September, 1960.

"The Committee of the Privy Council have had before them a report from the Right Honourable John G. Diefenbaker, the Prime Minister, representing:

That Canadian magazines and periodicals add to the richness and variety of Canadian life and are essential to the culture and unity of Canada; and

That it has been alleged that because of inequitable competition from foreign periodicals of various forms the publication of Canadian magazines has been prejudicially affected.

The Committee, therefore, on the recommendation of the Prime Minister, advise that:

M. Grattan O'Leary, Esquire of the City of
Ottawa, John George Johnston, Esquire, of
the City of Toronto and Claude P. Beaubien,
Esquire, of the City of Montreal

be appointed Commissioners under Part I of the Inquiries
Act.

(a) to inquire into and report upon the
recent and present position of and prospects
for Canadian magazines and other periodicals
with special but not exclusive consideration
being given to problems arising from
competition with similar publications which
are largely or entirely edited outside of
Canada or are largely or entirely foreign in
content; and

(b) to make recommendations to the
government as to possible measures which,
while consistent with the maintenance of the
freedom of the press, would contribute to the
further development of a Canadian identity
through a genuinely Canadian periodical
press.

The Committee further advise:

That the Commissioners be authorized to
exercise all the powers conferred upon them by section
11 of the Inquiries Act and be assisted to the fullest
extent by government departments and agencies;

That the Commissioners adopt such procedures

and methods as they may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and at such places in Canada as they may decide from time to time;

That Mr. M. Grattan O'Leary be Chairman of the Commission.

Signed by R.B. Bryce,
Clerk of the Privy Council. "

The following is the text of a Commission appointing Mr. Grattan O'Leary, Esquire, John George Johnston, Esquire, and Claude P. Beaubien, Esquire, to be Commissioners under Part I of the Inquiries Act to inquire into and report upon the recent and present position of and prospects for Canadian magazines and other periodicals. M. Grattan O'Leary, Esquire, to be Chairman of the said Commissioners.

Dated 27th September, 1960.

Recorded 30th September, 1960.

Film 98 - Document 163.

Signed by F. Weatherhead
For Registrar General of Canada.

Reference No. 163102.

"ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories QUEEN, Head of the Commonwealth, Defender of the Faith.

TO ALL TO WHOM these Presents shall come or whom the same may be anywise concern,

GREETING:

WHEREAS pursuant to the provisions of Part I of the Inquiries Act, chapter 154 of the Revised Statutes of Canada, 1952, His Excellency the Governor in Council, by Order P.C. 1960-1270 of the sixteenth day of September, in the year of Our Lord one thousand nine hundred and sixty, a copy of which is hereto annexed, has authorized the appointment of Our Commissioners therein and hereinafter named to

- (a) inquire into and report upon the recent and present position of and prospects for Canadian magazines and other periodicals with special but not exclusive consideration being given to problems arising from competition with similar publications which are largely or entirely edited outside of Canada or are largely or entirely foreign in content; and
- (b) make recommendations to the Government as to possible measures which, while consistent with the maintenance of the freedom of the press, would contribute to the further development of a Canadian identity through a genuinely Canadian periodical press,

and has conferred certain rights, powers and privileges upon Our said Commissioners as will by reference to the said Order more fully appear.

NOW KNOW YE that, by and with the advice of

Our Privy Council for Canada, We do by these Presents nominate, constitute and appoint M. Grattan O'Leary, Esquire, of the City of Ottawa, in the Province of Ontario; John George Johnston, Esquire, of the City of Toronto, in the Province of Ontario; and Claude P. Beaubien, Esquire, of the City of Montreal, in the Province of Quebec, to be Our Commissioners to conduct such inquiry.

TO HAVE, hold, exercise and enjoy the said office, place and trust unto the said M. Grattan O'Leary, John George Johnston and Claude P. Beaubien, together with the rights, powers, privileges and emoluments unto the said office, place and trust of right and by law appertaining during Our Pleasure.

AND WE DO hereby authorize Our said Commissioners to exercise all the powers conferred upon them by section 11 of the Inquiries Act and be assisted to the fullest extent by government departments and agencies.

AND WE DO hereby authorize Our said Commissioners to adopt such procedure and methods as they may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and at such places in Canada as they may decide from time to time.

AND WE DO hereby authorize Our said Commissioners to engage the services of such counsel, staff and technical advisers as they may require at

rates of remuneration and reimbursement to be approved by the Treasury Board.

AND WE DO hereby require and direct Our said Commissioners to report their findings to Our Governor in Council with all reasonable despatch and file with the Dominion Archivist the papers and records of the Commission as soon as reasonably may be after the conclusion of the inquiry.

AND WE further appoint M. Grattan O'Leary, Esquire, to be Chairman of Our said Commissioners.

IN TESTIMONY WHEREOF we have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed.

WITNESS: The Honourable Patrick Kerwin, Chief Justice of Canada and Deputy of Our Trusty and Well-beloved Major-General George Philiass Vanier, Companion of Our Distinguished Service Order upon whom We have conferred our Military Cross and Our Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

AT OTTAWA, this twenty-seventh day of September in the year of Our Lord one thousand nine hundred and sixty and in the ninth year of Our Reign.

BY COMMAND

Signed by C. Stein
UNDER SECRETARY OF STATE."

The following is an excerpt from Minute No. P.C. 1960-1352 dated Saturday, the 1st day of October, 1960:

"His Excellency the Governor General in Council, on the recommendation of the Prime Minister, is pleased hereby to appoint Michael Pitfield, Esquire, of the City of Montreal, Province of Quebec, to be Secretary of the Commission appointed pursuant to Order in Council P.C. 1960-1270 of 16th September, 1960, to enquire into the position of and prospects for Canadian magazines and other periodicals....

Signed by R.B. Bryce,
CLERK OF THE PRIVY COUNCIL. "

---O---

THE CHAIRMAN: Ladies and gentlemen, I merely wish to add our thanks to all of you for coming here. We are greatly in need of both knowledge and wisdom, especially the latter. I think you feel you will make a contribution of both and we wish to assure you that your submissions will receive our very closest study.

Now, we will proceed.

THE SECRETARY: Mr. Chairman, the first

submission will be by National Business Publications Limited.

SUBMISSION BY NATIONAL BUSINESS PUBLICATIONS
LIMITED

APPEARANCES:

Mr. M.G. Christie, President

Mr. A.W. Dancey, Editorial Director

THE SECRETARY: Would you identify yourself for the record, please?

MR. CHRISTIE: My name is Mervin Christie. I am President of National Business Publications Limited. Mr. Dancey, our editorial director is with me.

Mr. Chairman, gentlemen of the Commission: may I request that our submission be taken as read and that I be permitted to summarize in brief what has been said.

We said in our submission that we had no suggestions to offer or no recommendations. We have a suggestion to offer, if it is in order. It has not been submitted to the Commission in advance. It is now available to the secretary.

THE CHAIRMAN: Yes, very well, sir. You may consider filing the brief.

THE SECRETARY: Mr. Chairman, the submission will be filed as Exhibit No. M-1.

MR. CHRISTIE: May I be seated, sir?

THE CHAIRMAN: Yes.

EXHIBIT M-1 - Brief submitted by National Business Publications Limited.

National Business Publications Limited, with principal offices at Gardenvale, in the Province of Quebec, is engaged in the editing and publishing of twelve business and industrial journals and four year books for specialised readership by Canadian professional, technical and industrial groups.

The Company is owned exclusively by Canadians, uses Canadian-produced materials, contributes to the gross national product and to tax revenues and, at the same time, makes a contribution to the commercial and industrial well-being of our nation through the collection and dissemination of specialised technical and business information. A complete list of publications is given in Appendix A.

HISTORICAL REVIEW OF PERIODICAL PUBLISHING IN CANADA:

Historically the Canadian periodical publishing industry, which includes farm magazines and general consumer magazines, as well as technical and industrial journals, had its beginnings around the time of Confederation.

From then until the early part of World War II the periodical publishing industry in this country was a strictly Canadian enterprise; and we feel it played a constructive and effective part for many decades as a national communications medium in the development of Canada before the advent of radio and television, and in a complementary role since the introduction of these two media.

Canadian technical, industrial and professional journals, on a national scale, not only acted as vehicles for the dissemination of specialized information and news but they also served as unifying influences as well as assisting in economic progress and development of Canada.

FOREIGN PERIODICALS IN CANADA PRIOR TO WORLD WAR II:

The only foreign competition, particularly United States, that was experienced by Canadian publishers up to the second world war, was in the form of "overflow" circulation through subscriptions and newsstand sale, and its foreign source was clearly understood by Canadian readers.

Canadians have always been avid readers of foreign periodicals - United States, French, and British - indicating their keen interest in world affairs and, in the business field, their desire to keep abreast of foreign industrial and technological developments. United States periodicals received the widest subscription and newsstand distribution in Canada because developments in that country have always been of great interest and concern to Canadians.

We believe that no "Canadian" editions of foreign periodicals were published for Canadians prior to the war. Up to the war years Canada's economy just was not large enough to interest foreign publishers as a field for advertising revenues. Population was relatively small and divided between

French and English speaking sectors. Farming and basic industries predominated.

WHY FOREIGN PUBLISHERS ARE BECOMING INCREASINGLY INTERESTED IN CANADA:

Since the beginning of the war at least four major factors have emerged that would appear to have influenced foreign, particularly United States, publishers in becoming more actively interested in Canada as a field for publishing operations. They are:

a) Canada's economic growth has marched dramatically ahead on all fronts. The Canada we live in today is vastly different in terms of wealth, development and population compared to that which prevailed prior to World War II. Between 1945 and 1959 Canada's population has increased from twelve million to seventeen and a half million, an increase of forty-five per cent. Our gross national product in this period has risen from \$11.8 billion in 1945 to nearly \$35 billion in 1959, an increase of one hundred and ninety-two per cent in current dollar terms. Both rates of growth are estimated to be slightly better than those achieved in the United States. This new found economic importance of Canada, coupled with the establishment of an increasing number of United

States branch plants and sales

offices in Canada, would appear to have pointed up new revenue and profit possibilities for United States publishers in the form of Canadian advertising. Up to this time, United States publishers had been content to make their domestic editions available to Canadians through subscription and newsstand sale. However, they now foresaw the much greater revenue possibilities in the introduction of "Canadian" editions in which they could use the basic editorial material from the domestic edition, and sell it twice over to advertisers in the United States and Canada.

b) The steadily increasing leadership of the western world by the United States is believed to have been a factor in the expanding foreign activities of United States publishers.

c) The geographical position of Canada so close to a powerful neighbour, with which it shares a common heritage, a common language, and essentially similar standards of living and outlook, places Canada in a position which is perhaps unique in the world. The sharing of the same continental land mass has greatly

facilitated the planning of foreign operations by United States publishers insofar as Canada is concerned. In addition, Canada and the United States are each other's best customers in the field of trade. The competitive problem of Canadian publishers with United States publishers is not shared, for example, to the same extent, by Mexico, the Latin American countries, Great Britain, Australia, South Africa, France, West Germany, Italy, etc., for obvious reasons.

d) The complete lack of protection for the Canadian periodical publishing industry is a further factor in attracting United States publishers to Canada. Canadian industry generally is protected against foreign competition. Canadian radio and television outlets are secured against foreign ownership and control by regulations. The vital area of periodical communications in Canada is, however, left to compete as best it can against competitors whose strength is derived from an economy fourteen times wealthier than Canada's and a population ten times larger.

THE FORM OF FOREIGN COMPETITION AND WHY IT SO SERIOUSLY AFFECTS CANADIAN PERIODICAL PUBLISHERS

While serious enough to Canadian periodical publishers, "overflow" circulations of foreign

periodicals in Canada through subscriptions and newsstand sale were not of too vital concern so long as efforts were not made to capitalize on this circulation through the sale of advertising in Canada. In this connection it should be remembered that advertising income provides the bulk of the revenue within the whole communications industry. Based on present standards of operation, magazines, newspapers, radio and television would likely be placed beyond the reach of the average individual if the entire cost of the operation had to be borne by the reader, listener, or viewer.

However, encouraged by the rapid economic growth of Canada during and after World War II, and by the other factors discussed in paragraph 8, foreign publishers, particularly the United States, have tended to capitalize on their "overflow" circulations in Canada through the sale of advertising in Canada, and their methods have taken various forms. Two of the most effective of these methods - split-runs and "Canadian" editions - are discussed here because they seriously divert advertising revenues which properly belong to Canadian periodicals to make possible their improvement and development.

A number of United States periodicals now offer Canadian advertisers a regional split-run issue to take advantage of their "overflow" Canadian circulation. The technique of split-runs calls for zoning the circulation of a periodical, in effect

"splitting" the press run for regional coverage. While substantially the same editorial content and national advertising appear in all regional issues, local regional advertising is also included and this is usually sold at a rate substantially less than the national advertising rate. Active advertising solicitation takes place in Canada and the split-run edition is printed in the United States and shipped to a border point where it is delivered to the Canadian post office for distribution through the mails as second class matter. From the foregoing it is evident that an anomaly exists: Canadian advertising is being printed in the United States, incorporated into periodicals, and imported into Canada tax free, whereas the same advertising if printed in the United States as direct mail, would be dutiable upon importation into Canada.

Perhaps the most serious of all forms of foreign competition for Canadian periodical publishers is the so-called "Canadian" edition of United States periodicals. So far the major impact of this particular type of competition has been felt by Canadian consumer magazines. However, we believe the first "Canadian" edition of a business paper was launched in Canada as early as 1946. A number of others have followed since then, and there is every reason to believe that this trend will continue. The possibility of a similar development in newspaper publishing cannot be overlooked. The "New York

Times" recently announced the establishment of a new "International" edition, which is edited in New York and printed in Paris. (See Appendix C.)

Before discussing the serious situation which is created by the "Canadian" edition, may we explain that, before a "Canadian" edition can be produced, a full-fledged publishing operation is necessary to the production of the domestic edition of a United States publication. To produce a "Canadian" edition, use is made of these basic facilities in whole or in part in the following way:

- a) Editorial - The original editorial and illustrative material used in the domestic (U.S.) edition is available for re-use in the "Canadian" edition presumably at no further cost to the publisher. In effect, the bulk of the editorial content of the so-called "Canadian" edition is created in the United States, and then imported into Canada at no cost and free of all tariffs, duties and other restrictions. Formerly, this editorial content was available to Canadians through subscription or newsstand purchase of the United States periodical which was clearly identified as such. This whole process could be likened to a manufactured product in that a foreign manufacturer would need basic facilities, including research, design, engineering, and a plant to produce a product for his domestic market and, after having satisfied the domestic consumption

requirements, which he was originally set up to do, could then run off extra units for export into Canada free of all import restrictions.

- b) Circulation - The circulation facilities of the United States periodical are available to handle Canadian distribution.
- c) Production - Basic production facilities of the United States operation are available to produce the "Canadian" edition.
- d) Sales and Promotion - Here again the basic facilities are available in the United States. While it is normally necessary to develop a Canadian field selling force, it is possible to use the subscription and advertising promotion facilities in the United States.

It will be realized from the foregoing that the development of the so-called "Canadian" edition in printed form has been achieved with very important cost savings in comparison with the strictly Canadian-produced periodical which bears all original initial costs before getting into the hands of the reader.

Thus it will be seen that Canadian magazine publishers operate under a direct handicap and a decided disadvantage in competing with the "Canadian" edition of United States publishers for the Canadian advertising dollar, because:

- a) There are no import restrictions that protect Canadian magazine publishers against the

importation of material originally created for domestic editions of the United States publications for re-use in Canada in so-called "Canadian" editions.

- b) United States publishers of so-called "Canadian" editions can use the savings in operating costs for greater profit from the Canadian operation.
- c) United States publishers can also use the savings to expend in increasing their field selling activities in Canada.
- d) Or they could use these savings for some combination of "b" or "c" of the foregoing.

WHY UNRESTRICTED FOREIGN COMPETITION IS HARMFUL TO BOTH THE CANADIAN PERIODICAL PUBLISHING INDUSTRY AND TO CANADA AS A NATION

Three major areas of Canadian activity are affected in our view by the unrestricted activities of foreign publishers in Canada, a situation which will become progressively worse if the optimistic forecasts of the Gordon Report on Canada's future development are realized. In other words, if among other factors the recent upsurge in Canadian economic development has attracted a given amount of foreign periodical competition to Canada, we can only expect this trend to intensify as our Canadian economy expands in the future. Let us examine the areas which are threatened by foreign periodicals, particularly so-called "Canadian" editions.

There can be no question that unrestricted foreign competition jeopardizes the present and future well-being of the Canadian periodical publishing industry, and particularly consumer and business

magazines.

With their substantially greater financial resources, United States publishers are in a preferred competitive position to divert vital advertising revenues from Canadian periodicals to their own periodicals, chiefly "Canadian" editions if this technique is continued. If legitimate Canadian periodicals fail to survive this onslaught, or are seriously weakened by it, they will most likely be succeeded by United States and other foreign periodicals.

The periodical publishing industry traditionally has been one of Canada's major national contributors to the development of a Canadian character and identity. It has been a creator and reflector of Canadian opinions and viewpoints and a sponsor of Canadian cultural development. It has contributed in some measure to Canadian economic development through its technical, industrial and professional magazines. The alternative to strictly Canadian periodicals is a periodical press which might be largely foreign-owned and directed, and whose basic interests may not necessarily always coincide with Canadian interests.

As we have seen earlier, "Canadian" editions are wholly, or in part, created, printed and administered outside Canada. Is it not essential to our future cultural development that we provide an expanding outlet at home for the creative efforts of our artists and writers and others associated

with the graphic arts industry?

THE PROBLEM OF ESTABLISHING A FAVOURABLE COMPETITIVE ENVIRONMENT FOR DEVELOPMENT OF CANADIAN PERIODICALS

As is well known, a number of attempts have been made, and numerous ideas put forward, with a view to providing the Canadian periodical publishing industry with some protection against foreign competition and to establish a competitive environment which would ensure its natural and effective development in keeping with our growing economic and political stature.

Our own feeling is that the urgency of the situation far transcends the consideration of minor changes in the tariff, post office, taxation, and other areas which, in the end, do not provide the final solution. Further, we are only too well aware of Canada's dependency on exports and of the necessity of our avoiding taking any action which would endanger good relations with our friends and customers abroad.

However, we do suggest that if it was deemed advisable for Canada to establish, within Canada, a national policy for the development of radio, television, air transport, and other areas of the Canadian economy, surely some similar policy can be developed for the Canadian periodical publishing industry in view of its over-all importance in the dissemination of general and business information and the role it plays in maintaining and developing Canadian identity and character.

SUMMARY AND CONCLUSION

With a strong sense of nationalism and pride in Canada, our company has long adhered to the principles of free enterprise, and to the maintenance of a sound competitive environment. We believe in the principle of equality of treatment and fair competition, and we object to unfair competition. Canadian publications should, we think, have an opportunity to compete on equal terms in their own country with foreign publications whether they are openly foreign, or disguised foreign. We believe in fair competition which we think is full opportunity to compete for the consumer and advertising dollar on the basis of effectiveness of performance, quality of service, and the price charged for the service, with due regard to the true cost incurred in rendering the service. We consider it unfair competition if the true costs of rendering the service are reduced in any way, including special arrangements between a Canadian subsidiary and its foreign parent company.

"Canadian" editions of United States periodicals in our view create an unfair competitive situation in Canada for Canadian publishers, partly because they are able to acquire editorial matter from their parent companies considerably below the cost of creating this editorial material in Canada, and also because they have available to them other services which were originally designed to produce the United States domestic edition. Canadian anti-

dumping legislation takes care of such cases in the area of commodity products and permits Canadian producers to compete fairly against importers. Why should this principle of equality of treatment, which applies to commodity products, not also apply to the provision of services in Canada which are provided below their true cost as is the case with the "Canadian" editions of United States publications.

In the case of "overflow" circulations of United States business magazines, it is not the importation of foreign business magazines as such that creates unfair competition for Canadian publishers, but rather the importation of the advertising content of these foreign publications. If the advertising content was imported separately as individual pieces of advertising printed matter it would be dutiable.

Furthermore, we believe a large "overflow" circulation often leads the foreign publisher to either the practice of establishing Canada as a region for split-runs, or into establishing a "Canadian" edition.

We believe in freedom of the press and the free flow of information between countries. However, international freedom of the press must surely have some limits, especially when this freedom seriously jeopardizes the maintenance in Canada of an effective periodical communications industry. In its long-term aspects, we feel the

problem of Canadian periodical publishers is really the problem of all Canadians who wish to maintain a free and separate political, cultural and economic identity. We believe the solution of this problem must be a national solution, based on national interests, as well as a solution for the development of the Canadian periodical press.

The purpose of this brief has been to establish principles. May we have the privilege of presenting specific recommendations at a later date?

APPENDIX A

Published by National Business Publications
Limited

Canadian Mining Journal - established 1879

Canadian Mining Manual - established 1891

Pulp and Paper Magazine of Canada - established
1903

National Directory of the Canadian Pulp and
Paper Industries - established 1907

Canadian Fisherman - established 1914

Woodlands Review - established 1929

Pulp and Paper Manual of Canada - established
1930

Canadian Food Industries - established 1930
(Published by Federal Publications Limited,
a wholly owned subsidiary).

Canadian Ports and Shipping Directory -
established 1934

Canadian Refrigeration and Air Conditioning
- established 1935.

Canadian Doctor - established 1935.

Canadian Journal of Comparative Medicine -
established 1937

Canadian Industrial Equipment News -
established 1940

Shop - established 1942

Product News - established 1947

Canadian Oil and Gas Industries - established
1949

APPENDIX C: (From the "Montreal Star")

NEW YORK TIMES EUROPE EDITION PRINTED IN PARIS

(Reuters)

PARIS, Oct. 20 - News paper history was made here early today when the first edition of a new international edition of the New York Times rolled off the presses.

The edition was printed by remote control from New York using the latest electronic type-setting devices.

The first issue of about 45,000 copies contained 24 pages, including five full pages and 11 half-pages of advertising. The price here was 50 old francs (about 11 cents).

Copies of the edition were flown to all the main cities of Europe, North Africa, and the Middle East, bringing it to breakfast tables there hours before breakfast time in New York.

The edition rolled off press in a plant behind the Paris Opera in the Rue Lafayette where tele-typesetting machines have been installed.

These machines translate into type-metal news edited in New York. The news was put onto perforated tape in New York and transmitted to Paris where a perforated band fed into the machines set the type automatically.

MR. CHRISTIE: May I just begin sir by reading only on paragraph 23 of the submission and then go to the summary.

--- Mr. Christie reads from paragraph 23.

EXHIBIT M-2: Summary of submission and recommendations.

The main thought which we have attempted to **introduce** in our submission is that the situation, as it exists today, does not permit Canadian publishers to compete in their own country on equal terms with foreign publishers.

Canadian publishers are faced with two **unfair** types of competition:

a) Foreign Periodicals Published in Canada.

These periodicals are permitted, without import restrictions, to import editorial content which was originally created for the foreign domestic edition of the publication, and for which the cost has been presumably written against the foreign domestic edition. This editorial material is imported free into Canada for re-sale in Canada ~~at~~ no cost, or a fraction of the true cost of creating similar material in Canada.

Foreign periodicals can also make use of all the other services and **facilities** of the foreign parent company but, even if only the editorial services are used, a competitive advantage is achieved.

b) "Canadian" editions, or Canadian split-
runs or regional editions of foreign periodicals
printed and published outside Canada:"

These periodicals carry substantially the same editorial content as their domestic editions, or they include a small quantity of editorial material specifically slanted to the Canadian reader. In both cases they solicit and carry Canadian advertising. We believe that, when a regular domestic edition of a foreign periodical is changed in any way and offered to Canadians, this practice is followed not as a service to Canadian readers, but rather to create a package which can be sold to the Canadian advertiser in competition with Canadian periodicals.

This we suggest is unfair competition because the true costs of rendering this service have been reduced by operating in conjunction with the domestic edition of the foreign periodical.

The effects of this type of foreign periodical competition have been felt mostly in the general magazine area up to the present time. Business magazines have experienced some competition, particularly in the medical field, but in general, largely we feel because the business magazine possibilities are not as interesting and are somewhat specialized,

there has not been the same degree of competition.

We believe, however, that as Canada grows and develops, the business press may receive more attention from foreign publishers.

We believe that Canadians should be free to purchase by subscription or newsstand sale the foreign periodicals of their choice. We feel that Canadians wish to be informed, and think it desirable that they should be informed, about other countries and things international.

We believe, however, that the needs of Canadians to be informed and the wishes of Canadians to have freedom of choice of their reading material, are both satisfied by the regular domestic editions of foreign periodicals. Most foreign publishers now make available to Canadians the issues which were originally prepared for domestic consumption, through subscription or newsstand sale in Canada.

If "Canadian" editions did not exist, the Canadian reader could then subscribe, or purchase on the newsstands, the domestic edition of the foreign publication.

As the Commission is aware, it is much easier to define the problem created for Canadian publishers by unfair foreign competition than to provide the solutions. The areas to be investigated are highly specialized and not too clearly defined, even for the experts. Proposed solutions may be influenced by many factors. Being very conscious of

these considerations, we would like to submit the following recommendations for possible study by the Commission.

RECOMMENDATIONS:

Foreign periodicals published in Canada:

We assume that foreign periodicals published in Canada receive the same consideration from the Canadian government as Canadian periodicals but, as we have shown, they are not subject to the same cost factors, in their operations, through arrangements with their foreign parent companies.

As an example, the present Canadian second class postal rate does not make any distinction between Canadian and foreign owned periodicals.

We offer for the consideration of the Commission the suggestion that the definition of eligibility for second class mailing privileges might be re-examined.

Foreign periodicals printed and published outside Canada.

Periodicals which are mailed to Canadian addresses from outside Canada, which are not identical to the foreign domestic editions of these periodicals, should we feel be subject to a duty upon entering Canada of 100 per cent, based on the published price per copy of the foreign periodical in the country of origin.

We offer this suggestion for the consideration of the Commission, as a possible area for further

study, in the belief that this suggestion would in no way interfere with the reading preferences of the Canadian public nor would it interfere in any way with the free flow of information between countries. It would, however, tend to put Canadian publishers on a more equitable competitive basis with foreign publishers who might be subject to the duty.

Respectfully submitted.

COMMISSIONER JOHNSTON: Mr Christie, I wonder if you could give us something of the history of National Business Publications Limited?

MR CHRISTIE: Yes, it was founded in the year 1929 by a number of people who were working within the company. The publications existed prior to 1920, or many of the publications, but the company was formed in 1929 as is presently held.

COMMISSIONER JOHNSTON: It is a Gardenvale enterprise, is it?

MR CHRISTIE: Yes.

COMMISSIONER JOHNSTON: How many papers have you and what is the nature of them?

MR CHRISTIE: They are mostly technical professional or industrial journals. We have no consumer magazines at all.

COMMISSIONER JOHNSTON: This matter of importing editorial content, have you any idea how there might be a tax or duty, customs duty or tax, levied on editorial content?

MR CHRISTIE: I realise, Sir, that it

is a difficult problem. Exactly how this might be done precisely, no, I cannot spell that out.

COMMISSIONER JOHNSTON: You recall that there was a duty imposed in 1931 or 1932 and that was eliminated by the next government?

MR CHRISTIE: Yes.

COMMISSIONER JOHNSTON: Do you think such a thing could be reimposed?

MR CHRISTIE: Well, our thought, Sir, was that the preference of the Canadian public would be served by the regular national editions of foreign domestic publications. It seems to me that a tax could be placed on publications, not necessarily on the editorial content. It might tend to equalise the situation somewhat, as I understand the tariff does now on industrial goods and commodity products.

COMMISSIONER JOHNSTON: Do you think if the Canadian content were eliminated from Time that their sales activities would be limited in any degree in Canada? It seems to me that is the burden of your story here.

MR CHRISTIE: Well, I am thinking more, Sir, that the reading preference of the Canadian public would not be interfered with if the regular domestic, foreign domestic editions were available to them, and there would be no restriction on the free flow of information if this were true.

COMMISSIONER JOHNSTON: Readers Digest seems to be about the same in Canada as it is in

the States. There is very little distinction between the two editions and that does not seem to prevent them selling advertising in the Canadian edition.

MR CHRISTIE: No, Sir.

COMMISSIONER JOHNSTON: In that respect it is a split-run, only the split is in Canada.

MR CHRISTIE: I find it rather difficult -- split-run and Canadian editions are so closely connected in my mind, in any event, that I find it difficult to separate.

COMMISSIONER JOHNSTON: Have you looked into the feasibility of making a distinction between domestic and foreign publications in the matter of postal rates?

MR CHRISTIE: Well, there are now distinctions, Sir, within the second class mailing privileges for different types of publications. In other words, there are now distinctions within the postal regulations, and the only thought that we had was that Canadian owned and operated publishing houses might be considered, if there is a privilege to be accorded, that there might be a priority of privilege to be accorded.

COMMISSIONER JOHNSTON: Would there not have to be negotiations under the International postal regulations?

MR CHRISTIE: I do not believe so within Canada, Sir. It is my understanding that

would be within the framework of the Canadian government to decide; that is, mailing in Canada, because we are then within the Canadian postal framework.

COMMISSIONER JOHNSTON: Would not the effect of that be to drive out of Canada those publications that now bring the magazines in bulk to Toronto or Windsor or some such place and mail them from our post office? We are now getting a revenue from those people.

MR CHRISTIE: I appreciate that.

COMMISSIONER JOHNSTON: Your idea could result in much business being lost to the Canadian post office.

MR CHRISTIE: Those publications that are the same in every respect as the foreign domestic edition would enter Canada, be mailed in Canada or outside of Canada, without any restrictions whatsoever, but those that differed in any way, then they would come under this duty, Sir.

COMMISSIONER JOHNSTON: I think that is all.

COMMISSIONER BEAUBIEN: You believe that removing the Canadian content in magazines would tend to restore some sort of equilibrium between Canadian publications and American publications or foreign publications?

MR CHRISTIE: I am thinking, Sir, only that the basic material that is read in any

foreign publication could be made available to Canadians without restrictions in any way, shape or form. It is only when a magazine enters Canada that has been changed from the foreign domestic edition that this problem exists.

COMMISSIONER BEAUBIEN: I do not understand, though, how by removing Canadian content in a magazine, what affect that would have on the sale? Do you suggest also that the advertising content be controlled in some manner?

Mr Christie; i am not thinking of any control on advertising. I was thinking only that Canadians could be served by regular domestic editions of these foreign publications. That way there is a free flow of information. When the magazine is changed in any way it then creates a package for sale to the advertiser, and this works in an unfair way with Canadian publications because there is the cost factor this edition achieved of importing editorial content. Ordinarily with industrial goods, Sir, it is my understanding there are provisions within the law to take care of that.

COMMISSIONER BEAUBIEN: Would that not be interfering with reader preference?

MR CHRISTIE: I do not believe so, Sir, in this sense, that the Canadian public would be free to subscribe or purchase on any newsstand any foreign periodical that was unchanged from the regular foreign domestic edition. There would be no

restriction whatever placed on that.

COMMISSIONER BEAUBIEN: If I prefer to have a magazine with a Canadian content, a magazine that gives me a short breakdown, a synopsis of what has happened in the past week, there are some people who find it very useful, That is why they buy magazines. Why should we interfere with them? If that is what the reader wants, that is what he needs, are we not interfering with his preference?

MR CHRISTIE: In most cases, Sir, the Canadian part is very limited I should think.

COMMISSIONER BEAUBIEN: It is a question of degree?

MR CHRISTIE: Yes, Sir, and the large part of the editorial content would be available to the foreign domestic edition which could be subscribed to and which is fair competition, you see.

THE CHAIRMAN: Thank you very much, Sir, for a very useful submission.

MR PITFIELD: The Canadian Pulp and Paper Association represented by Mr. R. W. Fowler, their President.

MR QUINN: This brief will be entered into the record as M-3, Mr. Chairman.

--- EXHIBIT M-3

Brief of Canadian
Pulp and Paper
Association.

SUBMISSION BY R.M. FOWLER

MR. FOWLER: Mr. Chairman, and gentlemen, having had some exposure to the kind of problems that you face, I would like to just record a word of congratulations to the Secretary and to you, the Commission, for the kind of instructions you have given to those who participate. I certainly have found them most helpful and useful. I find that I may have failed to carry them out, in that I notice that one of them requires that if any advance release of documents has occurred, it should be noted in advance to the Secretary. Actually, I sent them on Friday with a release date on them until after presentation, and I trust that that inadvertence was not serious.

I will, if I may, Mr. Chairman, follow the suggestion in your first memorandum, that any presentation should be read into the record.

THE CHAIRMAN: Mr. Fowler, are you speaking now as an individual, or are you speaking for your association?

MR. FOWLER: You will find, Mr. Chairman, when you look at the memorandum I have prepared, that it breaks into two parts. I would say that in the first part I am speaking on behalf of the Canadian Pulp and Paper Association, to some extent, and then I draw a line and go on much more as an individual. I do not suppose you can ever completely divorce yourself from one position that

you may have, but I have tried to do so by the use of that line.

I start by saying, Mr. Chairman, that:

The Canadian pulp and paper industry has a direct interest in this inquiry into magazine publishing in Canada. It produces and sells most of the paper that is used within Canada for the printing of magazines of all kinds, including both Canadian magazines and the Canadian editions, printed in Canada, of American magazines.

Because "publications" or "magazines" are not precisely definable categories and because a variety of papers are used for their printing, which papers are also used for other purposes, the volume of paper sold by Canadian producers for the publication of magazines in Canada can only be roughly estimated. We think it amounts to a total of about 70,000 tons annually of all kinds of paper and for all types of magazines including consumer magazines, business publications, farm papers and week-end publications. The total is considerably less if only publications using the higher grades of printing paper are included.

Under existing Canadian and foreign tariff provisions, the Canadian domestic market for these types of paper is virtually the only market open to our mills. There is an export of the better grades of magazine papers of about 4,000 tons annually,

of which about 75 per cent goes to the United States. Some of this quantity is subject to U.S. duty drawback because the American publisher sells a sufficient volume of his magazines in Canada to establish re-export of the Canadian paper he has imported; but the U.S. drawback provisions are uncertain and difficult to invoke.

Since the GATT negotiations at Torquay in 1950, imported magazine papers for the use of publishers enter Canada duty free. Formerly the Canadian tariff on magazine papers was equivalent to between $5\frac{1}{2}$ per cent and a little over 8 per cent ad valorem. (The actual tariff rate on uncoated papers was $22\frac{1}{2}$ per cent most favoured nation and on coated papers $32\frac{1}{2}$ per cent M.F.N. - both subject to 75 per cent drawback by Canadian magazine publishers. The rates I quote are merely the 25 per cent of these rates. Presumably this concession granted, by Canada, at Torquay was the price for concessions by other countries on other Canadian exports. However, the U.S. tariff on magazine papers was continued after Torquay and only slightly reduced in 1956, 1957 and 1958. It remains today at rates equivalent to between 5.2 per cent and $25\frac{1}{2}$ per cent ad valorem. This is more complicated, Mr. Chairman. (The actual tariff is .17 cents per pound plus 4 per cent ad valorem on uncoated papers and $2\frac{1}{8}$ cents per pound plus 6 per cent ad valorem on coated papers). In

the result Canadian manufacturers of magazine papers are effectively barred from the American market, except for the limited and uncertain drawback available in some cases on paper re-exported to Canada in the form of magazines. It is also clear that Americans magazine paper manufacturers have free entry into Canada for their products.

U.S. and other foreign magazines enter Canada duty free. It has been estimated that the paper tonnage involved in these imports of American magazines, as magazines, is approximately 75,000 tons a year. This exceeds substantially the total of magazine paper made and used in Canada. Not only are Canadian paper mills unable to reach the U.S. market for American consumption, but they are unable even to supply the magazine paper used by Canadian consumers in the American magazines they import.

The significance of this annual import of 75,000 tons of magazine paper, in terms of Canadian capital investment and employment, can be estimated. To produce this quantity of paper would involve a capital investment of approximately \$20,000,000 and this tonnage would have an annual sales value also of approximately \$20,000,000. Its production in Canada would employ about 600 people full time in the mills, and would give seasonal employment to between 400 and 500 woods workers. In addition there would be considerable employment involved in the

printing of the Canadian circulation of American magazines in Canada. If, as is suggested later in this brief, special incentives could be given to magazines on the basis of their Canadian content, the measurement of Canadian content should not be confined to editorial matter, but should include Canadian paper, ink and printing. To the extent that the printing in Canada of the Canadian circulation of American magazines can be induced by incentives, it would produce substantial benefits in terms of Canadian capital investment and employment. This would appear to be a legitimate Canadian objective even though, admittedly, it would not deal with the competitive problem between American magazines and strictly Canadian magazines, which, I take it, is your principal concern.

Under existing practices, imported magazines enjoy second class mailing privileges in Canada and to the extent that postal rates do not discharge the cost of distribution a subsidy is given by the Canadian taxpayer to American magazine publishers. A frequent practice is to send the printed magazines to a central mailing point in Canada and then to mail them to subscribers across Canada under local postal rates. The amount of this subsidy to imported magazines is difficult to ascertain. In some cases, Canadian subscribers receive their American magazines by direct mail from the United States; postal charges

are paid in the United States and the magazines are carried free in Canada under International Postal treaties.

Arising, Mr. Johnston, from the question that you were asking the previous witness, I would think that you would only change them by changing the International Postal treaties.

Possibly the Commission can determine the facts on this complicated matter more precisely and can estimate the degree to which present postal regulations affect the competitive position of Canadian magazines. If a substantial subsidy is involved in the postal rates, it is not irrelevant to the position of Canadian magazines. There is some limit on the magazine buying power of Canadians. To the extent that they buy American magazines they will have less in their budgets to buy Canadian magazines. No doubt access to the information and entertainment provided by American publications is something that Canadians should have; it may increase their knowledge and widen their intellectual horizons. However it is debatable if the Canadian taxpayer should be asked to subsidize the distribution of American magazines in Canada and thus to increase the competition for patronage of Canadian magazines. If it could be said that these American magazines on their Canadian circulations, were providing valuable markets for Canadian-produced magazine papers, it might perhaps be

regarded as some national off-set for the subsidy given by the Canadian taxpayer through the postal services. In the absence of such trading advantages, it is difficult to see why Canada should continue to strengthen the competitive position of American magazines in Canada, to the obvious disadvantage of all publishers of magazines within Canada.

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I admit, Mr. Chairman, I have been pretty vague with it because these are very complicated subjects.

If it is possible under the Postal Treaties, it might be a good idea to ask American magazines to pay the full freight on their distribution within Canada - and also perhaps to pay some reasonable profit on the postal services provided by the Canadian government. This would, of course mean a higher cost to the Canadian consumer or subscriber of an American magazine and some one will have to decide whether the intellectual advantages or the entertainment provided at public expense by lower-cost American magazines outweigh the competitive detriment to Canadian magazine publishers.

I must say, Mr. Chairman, that I apologize in the rather vague point there in that I did try to dig into the postal treaties and I found it an immensely complicated research project. I just could not undertake it. I suggest it may be something that the Commission could do and the basic point made here is simply that if we are in fact to have a subsidy which strikes at the competitive power of imported magazines with no National offset in the form of printing in Canada or supplying paper in Canada or something of that sort; I think we might very well question whether such a subsidy is a valid use of public funds.

That is a question of strengthening the

1. The first part of the paper is devoted to a general discussion of the problem.

2. In the second part, we shall consider the case of a single particle.

3. The third part is devoted to the case of a system of particles.

4. In the fourth part, we shall consider the case of a continuous medium.

5. The fifth part is devoted to the case of a system of continuous media.

6. In the sixth part, we shall consider the case of a system of particles and continuous media.

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24. In the twenty-fourth part, we shall consider the case of a system of particles and continuous media.

25. The twenty-fifth part is devoted to the case of a system of particles and continuous media.

imported magazines. You will see a little later on I have a slightly different view on the question of deliberately weakening the competitive position of imported magazines.

Well now I commence a line with which I am much more familiar.

However there are wider and less commercial issues involved in this inquiry, of which I would like to speak briefly on the basis of personal experience.

I believe it is important to Canada, in national terms, that we have a healthy, vital, economic, magazine publishing business in this country. This is one of the important tools that can be used to forge Canadian independence and a sense of national identity.

It is not suggested for a moment that American magazines - or at least more of them - are intrinsically evil or undesirable for Canadians to read. Indeed, many of them are rich in information and entertainment and culture. There can be no question of excluding them and if we tried to do so, Canadians would be intellectually poorer.

But to agree to accept the flow of another nation's culture is not to say that we do not need to look to the development of a distinctive culture of our own. The good American magazines necessarily and properly reflect American aspirations and ideals.

These may be well enough for them, but not inevitably good and adequate for us. An American television programme from Buffalo may carry to a viewer in Toronto much that is informative and amusing and enriching; but at the end of the programme-day there is always a salute to the flag, and it is an American flag flanked by the U.S. Marines. Good enough and right and proper for an American audience; but what does this daily repetition do to the minds and loyalties of Canadian viewers?

We must build a distinctive Canadian off-set to this flow of another nation's culture. We must have Canadian television and radio programmes, Canadian films, and Canadian books and magazines, which will be produced in our own national context; to reflect Canadian aspirations and ideals. We must be prepared to make our own mistakes and accept our own clumsy inadequacies. And we can only do it at a considerable cost, to be borne nationally as the price of independence.

This is a familiar Canadian problem that has run through a hundred years of past history and is likely to remain to plague us for as far ahead as we care to look. The forces of geography and history make Canadian nationhood a difficult undertaking. It is only necessary to recall the C.P.R. and C.N.R. that we built when it would have been much easier to tie into the American railway system; the Trans-Canada highway

system with good roads available in the United States; the Trans-Canada Airlines instead of spur lines to Canadian cities from American airports; and the Canadian Broadcasting System for both radio and television when a cheap and easy hook-up with American networks was available to us.

The central fact that conditions our independence is that we are here, in the northern half of the North American continent - a sparsely settled land of seventeen million people beside a rich, inventive, vigorous nation of 170 million people. Our problems would be much easier if we were placed in the far Pacific like Australia, or if most of us spoke another language like Mexico. Even if we wanted to do so we cannot shut out the cultural flow from the United States and we would be poorer if we tried. But it is important that we remain a distinctive, independent nation, it is clearly important to us to do so but it is important also to other nations in the world, not least to the United States.

We ran into this, Mr. Chairman, during the Broadcasting Inquiry, and I talked to a number of my American friends on this subject. I went down there to try and tell them about the importance of us building this national off-set in broadcasting against the inescapable inflow of the American programmes. We told them about our own circumstances.

I was startled at one interview in New York

where Edward R. Murrow was present. When I put this problem to him he said "We are not in the least bit concerned about you people up there. I am concerned about our people down here. It is very important that you remain an independent, separate and distinct nation. It is important for us down here in the States. We need you. We need you as a friend but sometimes as a critic"; which I thought was interesting and which is the point I had in mind there.

How do we do it? How do we turn this difficult trick of maintaining real Canadian independence or, more positively, building a distinctive national identity? It can only be done by improvising solutions for each area of our national life and culture. There do not seem to be general answers applicable to all the problems. What works in one area may not work in others. The problems of maintaining a vigorous magazine publishing activity in this country are peculiarly difficult.

If we have decided as a nation that we want to have Canadian magazines able to meet the powerful competition of American magazines in Canada there are some obvious steps that we can only take with great care and caution. Any tariff directly imposed on the inflow of American magazines is such a step. It is true that a tariff was imposed in Canada prior to 1935 and this tariff did result in publication of many American magazines within Canada, with

consequent advantages to Canadian suppliers and workers. But these are collateral advantages and a tariff on imported magazines would not necessarily improve the competitive position of Canadian magazines. A prohibitively high tariff would leave the field clear to Canadian magazines only at the cost of excluding much information and entertainment that Canadians now enjoy. Short of a prohibitive tariff, a tariff on American and other foreign magazines might do Canadian publications more harm than good. Canadian reading habits and preferences are well established and Canadians might continue to buy their favourite foreign magazines at prices increased by the tariff and buy fewer Canadian magazines. A tariff solution would seem to be negative and instead of impeding the entry of foreign magazines we should seek positively to build up the competitive strength of Canadian magazines. A truly indigenous culture is unlikely to be found behind walls thrown up to keep out foreign influences but in open competition with such influences strengthened where necessary by national policies.

Similarly, a solution through a system of licensing such as is used in broadcasting appears to be dubious, because of the essential difference in the two types of media. The broadcasting problem is easier because there are a limited number of public assets in the form of television channels and radio

wave-lengths which must be granted by the state and in granting them the state can impose conditions as to their use and ownership. In publishing we come immediately to the principle of freedom of the press, which is basically not the freedom of publishers to publish, but the freedom of anyone to resort to the printed word to communicate with others. This freedom of the press is not really a freedom to make a successful commercial venture - to make money - but it is the freedom of any individual to communicate to others. And there are no physical limits as in broadcasting to the exercise of that freedom. There may be practical limits on the creation of large magazines or newspapers because of the large capital investment in presses and the costs of production and distribution involved. But if a man cannot manage to start a large magazine, he may try a small one using rented presses, or he can create a magazine of sorts by mimeograph or other forms of mechanical duplication. This freedom to communicate, in a large or small way, by anyone - without license - is an essential freedom in a democratic state.

If we have an activity that is nationally desirable and faced with difficulties from foreign competition, an obvious solution would be to subsidize it by the state. In its crudest and most direct form, a subsidy runs into difficulty when applied to the publication of Canadian magazines. How do you pick the desirable publications to be

supported by public funds? How do you avoid influence, or the appearance of influence by the state over what is published and thus avoid destroying the freedom to publish that is the essential objective? A direct money **subsidy** to Canadian magazine publishers appears to be practically and basically impossible.

There may however be other more sophisticated forms of state aid or subsidy that could be considered, which would avoid picking and choosing between publications and which would mask the existence of state aid. Two that come to mind are special mailing privileges and special tax concessions, both based on rigid definition of the conditions to be met for entitlement to special benefits and possibly on a sliding scale based on total Canadian content including both editorial content and Canadian materials and labour.

It should be recognized at once that any such approach must be general and impersonal. The assistance from the state cannot be made to depend on any value-judgment of the worth, or the reverse, of any particular magazine or its proprietors. This means inevitably that some publications which few Canadians would regard as worthy or desirable would be able to qualify for advantages at public cost - that tax moneys will be used or foregone to allow magazines to be published that contribute little or nothing to the creation of a Canadian sense of

identity. This waste of public moneys is inescapable, on this approach, and the "bad" magazines must be left to the ultimate judgment and good taste of the Canadian people.

A detailed study of the financial position of Canadian publications and of the Canadian system of postal rates would be necessary to determine how much practical assistance could be given by this method. If for example, defined classes of Canadian magazines were to be carried free or partly free by the Canadian Post Office, would it be enough assistance - or too much - to enable them to meet the competition for the Canadian reader of foreign magazines? The basic facts are not simply available to any one outside the business to provide an answer to this question.

It may be made available, of course, to your Commission, Mr. Chairman.

Similarly something might be possible by special tax concessions. Tax action can be taken in two ways - one by a special tax against the foreign publication, the other by a special tax advantage in favour of the defined Canadian publication. Both are discriminatory, but the latter is probably sounder and more easily justified. If we have an activity that is threatened and that seems worth preserving a special advantage by the Canadian state to its own citizens would seem to be justified.

The discriminatory tax against foreign

publications has been tried. It is doubtful if it did much to strengthen the competitive position of Canadian magazines or to weaken that of American magazines; although I assume you will investigate this, Mr. Chairman. It may well have been misdirected. When the real problem of Canadian magazines is the cost of editorial matter as against the largely free cost of the editorial matter in Canadian editions of American magazines, a tax on the advertising content of the latter would not seem to be of much value. It is more likely to do no more than add to the costs of Canadian advertisers who wish to use the special Canadian editions and only a prohibitive tax level on advertising would make the price mechanism work effectively to aid Canadian magazines. At all events, a tax of this nature would now appear to be politically impracticable -- although I perhaps should not have ventured that opinion. No one knows what is politically impracticable.

However, there may be some limited assistance possible for Canadian magazine publishers by granting them special and well-defined tax concessions. Such advantages are necessarily limited because unless the total revenues exceed the total expenditures present taxes are already slight and any reduction of them would not be much help. Possibly some accelerated depreciation on plant and equipment would be an advantage to some established and reasonably successful

publishers. Possibly some special tax concessions to creative writers for Canadian magazines would lower the costs of editorial material for the publishers and thus increase their competitive power. (The income taxes imposed on creative writers are often unsatisfactory and inequitable. An author may be taxed on production in one or two years that has taken half a lifetime to produce. It would be an unusual but not necessarily impossible thing to say that any writing sold to an authenticated Canadian publisher should not be counted as income or should be made deductible in whole or in part like charitable contributions. I do not mean it is a charitable contribution, Mr. Chairman. It is a matter of technique. The writer might get a better net price for his work and the Canadian publisher a lower price for his editorial matter).

You see in the parenthesis, Mr. Chairman, I have always had the feeling that the tax on creative writing, the income taxes, are filled with all kinds of inequities, and if you prevent these inequities, as far as the creative writer is concerned, and at the same time producing a lower price for Canadian magazine publishers and have a better editorial matter, you might give them some help.

In considering tax changes it may be that a distinction could be drawn between magazine publishing as a commercial venture and magazine publishing as a necessary contributor to Canadian values. The state may well have little interest (except as a potential tax source) in the former and considerable interest in the latter. If there were some way for the national contribution to be divorced from the commercial venture, the essential objective of maintaining and stimulating a vital Canadian publishing industry might be easier. The national interest is in the maintenance of diverse and vigorous Canadian magazines for the enlightenment and education of the Canadian people, and not specially in the creation of prosperous publishers. No doubt the latter is a satisfactory and worthwhile result, but is not particularly so for magazine publishers as distinct from other businessmen.

Perhaps this separation of objectives could be achieved by the device of a non-profit trust. Any man or group who chose to incorporate a magazine publishing venture as a non-profit corporation under the Companies Act, or by other statutory means or provisions, might be given free mailing privileges and a tax-free status. In addition special tax concessions to writers for such magazines could be granted (as outlined above). This option should be open to any one - either a wholly Canadian venture or a Canadian edition of an American magazine. We are not picking and choosing

between the forms of publications. Any one choosing this option would be able to publish but his profits would have to go into the magazine for its expansion or development, or if need be distributed to recognized Canadian charities (which are easily definable under the Income Tax regulations). The costs of printing the magazine and buying the editorial matter would be normal operating expenses, subject to adequate supervision under established Income Tax procedures. Presumably the larger commercial ventures would continue as they are and no extra support or assistance would be provided for them. But the option of a non-profit corporation would be open to any one who thought he had a message or function to perform in the intellectual market place. Such a one would receive at public expense the facilities to communicate his message to the Canadian people. If with free communication between the publisher and the public, the magazine cannot survive, with or without whatever private subsidy it can command, its contribution to Canadian cultural life might be regarded as unwanted or undesirable; at least the Canadian people would make the choice. If the venture turned out to be profitable the excess of revenue over expenditure would have to go towards building and extending its scope and influence or towards other social objectives within Canada; or alternatively the publisher could elect to give up his non-profit status and the special advantages

that go with it and embark on an ordinary commercial venture. The scheme does not seem to present any serious administrative difficulties, except that it may be impossible to estimate the public costs of the free mailing privileges suggested. You wouldn't know how many people would take advantage of it, so you could not estimate the cost involved. Its greatest virtue is that it would probably stimulate small publishing ventures, and variety and experimentation in Canadian magazine publishing. It would also tend to increase the opportunities for creative Canadian writers, illustrators and artists to reach the Canadian reading public. If it served to increase the market for Canadian magazine papers that would be an incidental and not wholly undesirable result in providing some expansion of a domestic industry and greater employment for Canadian workers.

All of which is respectfully submitted.

THE CHAIRMAN: Mr. Fowler, this is a most interesting and, I might say, a most original submission. There are some questions we would like to ask you about it, but I think we had better have a short adjournment first.

----Short adjournment.

COMMISSIONER JOHNSTON: Mr. Fowler, I certainly congratulate you on making some suggestions. Many of the briefs that we have heard stated the problem very well and then said "Well, that is your problem. It is up to you people now to solve the problem", and I think this is a problem for the Canadian people, not merely for this Commission.

I was wondering if, in the interests of your Association, you should not spread across the country a little more than it has been spread, the facts about duty, or lack of duty on magazine paper. In Regina the other day, we were told that there was no duty whatsoever on magazine paper, or accepted with some reluctance.

MR. FOWLER: It is only ten years ago that the change was made.

COMMISSIONER JOHNSTON: News travels slowly. We have not enough magazines.

I believe you are a member of this prominent committee -- a U.S.-Canadian committee?

MR. FOWLER: Yes.

COMMISSIONER JOHNSTON: I was wondering if you could tell us a little about that and what would be the attitude of the people of the United States if we do make some efforts to protect ourselves?

MR. FOWLER: This committee, Mr. Johnston, is a private committee, made up of people from business, from labour unions, organized labour, from agriculture

and from universities on both sides of the border. It is made up of about sixty people, thirty from each side.

Very briefly, it is trying to do different to what most such joint enterprises do -- both research and try to reach some conclusions. You get both kinds of organizations that do not have research, but have proposals, and others who do a lot of research but refrain from making proposals. We are trying to do both.

Certainly, in this committee, we have very outstanding people from the other side of the border. They are obviously friendly toward Canada, or they would not be coming up here.

I would say that between the two halves of the committee, the great distinction is that we in Canada are probably inclined to be a little sensitive, a little "chip on the shoulder", a little too apt to argue from the particular to the general; whereas, the Americans, we would summarize as being very different. They have great goodwill and a good deal of ignorance about Canada's conditions -- lack of knowledge of Canada.

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I would think that speaking just from impressions, the people on the American side of the Committee would go a long way in supporting any positive actions we took to strengthen our own position.

I think they would probably not regard as very friendly or desirable actions taken to weaken their position. I really, as you see from my brief, think that this is the whole thesis I worked on in the presentation.

I do not believe that an attack or exclusion or opposition to the American cultural influence is the correct way to go about it. I think we ought to positively build our own cultural activities by public cost, borne Nationally, if need be, but not by this business of restriction on the foreign publication.

I question really whether the press is really free if you do that kind of thing; just the same as I always question whether free enterprise is really free enterprise, if you have a tariff, but there you are.

COMMISSIONER JOHNSTON: That should go before another board.

MR. FOWLER: Yes.

COMMISSIONER JOHNSTON: I cannot personally see much distinction between discrimination against an American product and discrimination in favour of a Canadian product.

MR. FOWLER: As I was reading I realized

those two were pretty close together. It is mainly a matter of emphasis. May I just answer that question. If you had a corporate tax of 47 per cent, I would rather give the Canadian a break at 45 than attack the American at 50.

COMMISSIONER JOHNSTON: On the question of postal regulations, did you notice anything about terminal charges on parcel post?

MR. FOWLER: Frankly, sir, I had so much difficulty in finding out anything about the postal regulations, I would not be much help to you on that. I may have looked in the wrong place.

COMMISSIONER JOHNSTON: There is a feeling the terminal charge that the United States pays the Canadian post office estimates an excess on parcel post parcels from the U.S. as compared with parcel post from Canada.

MR. FOWLER: I thought your question to one of the earlier witnesses is a valid point. We have to be very careful that you just do not drive any of that particular movement in bulk to Canada off to individual mailing from the United States which, under these postal regulations, we have to carry apparently free. We do not get anything out of that.

COMMISSIONER JOHNSTON: In your paragraph 23 you suggest that: "If for example, defined classes of Canadian magazines were to be carried free or partly

free -- "

Does the post office not now claim that publications are carried at less than cost?

MR. FOWLER: I think so, sir. I think it is also claimed by the American post office too. I think the same point arises. I have seen estimates of something like \$250 million subsidy in the United States to second class mailing privileges.

COMMISSIONER JOHNSTON: In your paragraph 25 you go on the question of editorial content.

Have you any suggestion as to how we can tax editorial content in order that Canadian magazines might compete on a more even basis than at present?

I have in mind the fact that Reader's Digest (Canadian) pays a trifle less than 5 per cent of the cost of editorial content to the parent company in the United States.

MR. FOWLER: Yes. I saw that figure in one of the news reports, sir. I really haven't any answer to your question. All I can say is I can see immense difficulties in trying to tax editorial content. How do you value it? Is it the proportion to the Canadian circulation of the American circulation? It might not be much difference to the five per cent if you do it that way.

If you place an original value on it, you may lead to the situation where it would be far better if the publication took place in Canada. It

becomes a prohibitive tax or could easily do so.

I just do not find it very easy to believe that a tax on editorial matter is a good idea. I think it is just too much a matter of freedom of speech.

COMMISSIONER JOHNSTON: It does mean though, does it not, that the Canadian publication is subsidized to the extent of the value of the editorial content?

MR. FOWLER: That is right.

COMMISSIONER JOHNSTON: I noticed the other day that Lord Beaverbrook had made a contribution to a Maritime magazine. I was wondering what they had to pay him. He must be one of the highest paid writers in the world.

On the matter of accelerated depreciation; what would you do with a publication that had no printing plant?

MR. FOWLER: You notice I said these are limited possibilities. I think we can explore these. I was really thinking, Mr. Johnston, more of the desirability of new ventures getting going and presumably some of them might be printing plants but it is only a limited fringe benefit, I think.

COMMISSIONER JOHNSTON: It used to be said on this matter of subsidizing writers or giving them tax advantages, that if they do not get into the tax paying class an exemption was of no value to them as a matter of fact.

MR. FOWLER: I cannot put my hands on it but in one of the paragraphs I was dealing with tax concessions. I do think you should realize that is limited. On the other hand the more successful will presumably have some income tax to pay and the more successful writers are the men that Canadian magazines would like to have writing for them; so it should be able to get something in there in the way of an advantage to both.

COMMISSIONER JOHNSTON: To your knowledge, is there any publication or group of publications in Canada that are encouraging the new writer, the young writer?

MR. FOWLER: Oh, I think so, yes. I don't believe I am an expert in these matters but it seems to me that many of our Canadian magazines have made some efforts in this direction. I would think that is certainly true.

COMMISSIONER JOHNSTON: But you will notice Maclean's are not publishing any fiction at the present time.

MR. FOWLER: Maclean's are not publishing any fiction at the present time but I certainly can say in their case they once did encourage a very young writer, when I wrote for them back in the early thirties.

COMMISSIONER JOHNSTON: That was not fiction though.

MR. FOWLER: Not fiction though. I doubt if it was very creative writing either.

COMMISSIONER JOHNSTON: That is all I have.

COMMISSIONER BEAUBIEN: Mr. Fowler, I wonder if you can tell us something about your feelings regarding foreign magazines printed and distributed within Canada. Do you feel something should be done to encourage foreign publishers to establish themselves in Canada and to print and distribute?

MR. FOWLER: I would think, sir, if I had to choose between magazines printed in the United States and shipped into here as is, I would rather have them come to Canada and take part in our publishing here; reflect to some extent the Canadian attitudes and conditions and incidentally employ Canadian labour and use Canadian materials. That is for the larger types of magazines particularly.

THE CHAIRMAN: Mr. Fowler, before I ask you any questions, I first wish to congratulate you on having said something about press freedom, which I think needs to be said and needs to be said especially to a great many Canadian publishers.

You say: "Press freedom, which is basically not the freedom of publishers to publish, but the freedom of anyone to resort to the printed word to communicate with others. This freedom of the press is not really a freedom to make a successful venture -- to make money -- but it is the freedom

of any individual to communicate to others."

I stress this because day after day we have people coming before us talking about press freedom and apparently you get to the point where you are unable to conceive of any positive action without somebody saying "This infringes on press freedom" and perscrally I think a lot of this sort of talk is nonsense. I am glad to have somebody of your authority say what you have said.

Now, I was interested in what you said about the type of magazine that we might be protecting in this country by any positive action that we take against American publishers.

This is one of the difficulties against which a Commission like this runs into. It is alright to say you must protect our periodical press but surely some distinction has to be made. What are we protecting? I mean you came up against this in radio.

MR. FOWLER: That is right.

THE CHAIRMAN: There are publications in this country, I confess, I would not want to die for their survival. This carte blanche to Canadian publishers seems to me an extremely difficult part of our work.

MR. FOWLER: I think it is.

THE CHAIRMAN: There again you went into the problem of determining what kind of magazine

should be printed in Canada. What are your views on that, sir?

MR. FOWLER: I really tried to summarize them in paragraph 22 by saying that you ought to be frank enough to recognize that this is inevitable. I think your dilemma is impossible to be resolved completely.

I do not like any Canadian aid or special tax concessions or anything else going to assist certain types of magazines, that will be nameless, which I personally do not like but I don't want to be in the hands of any board or any government rule or try to write it out by statute as to the selection of the magazine that is going to be chosen. I think that this destroys the real freedom of the press.

As I say in paragraph 22 I think it is just inescapable. You have got to go ahead and do a lot of things which you are not going to like and even support them and leave it to the public to reject them in due course.

We had exactly the same problem in the radio and television. We had to say that we were not going to get into a detailed valued judgment as to what I want in radio and television programmes. We merely tried to set certain standards for licensing purposes where you have licensing to do. Your problem even differs from

licensing. I say that the moment any government agency begins to pick and choose among your favourite programmes --

THE CHAIRMAN: Or their favourite magazines --

MR. FOWLER: Or their favourite magazines
I think we are in trouble in terms of free society.

THE CHAIRMAN: We have all talked of certain measures to help what we call the periodical press or consumer magazines. There is another class of periodical in this country -- scientific, literary and those that we call the little magazines. Have you any idea what we might do for those? I am not talking about the Saturday Evening Post or True or Argosy or those big magazines. Does this in the least help those small magazines?

MR. FOWLER: This was really in the back of my mind in my final suggestion. I would like to see more little magazines. I would like to see more opportunities for Canadian writers and illustrators and artists to find the way to the public.

We are dealing with a relatively small and scattered audience and I think that we would be better off if we had this variety.

I don't know if it is enough but it is all I can see you can do.

I would like to see at least these magazines printed with no tax load over their heads. If they made themselves successful and with

a free communication to the Canadian public. I would pay my share of the tax for it.

THE CHAIRMAN: You go on to talk about culture. I hate the word. It has been so abused and distorted. Surely these are magazines for which you have to have regard. Would you go as far as to say that the Canada Council should be put in the position to make a grant financially to these magazines? They already do it with Canadian Art.

MR. FOWLER: I imagine I would not be much opposed to this. It seems to me that within the limited sphere of, let us say, a magazine dealing with Canadian Art, I would not be too much against a government created agency taking that on by a special direct subsidy which is really what it comes to.

What I would like to do on the general basis also --

THE CHAIRMAN: Or selection by the Canada Council.

MR. FOWLER: Let them select, yes.

They might not thank us for the suggestion. It is a very difficult one.

THE CHAIRMAN: You dealt at some length with the assistance of the periodical press and consumer magazines by certain concessions, postal concessions and so and so. Each of these things would amount, in fact, to a state subsidy. What would you say then about the poor devil who is trying to publish a newspaper and who is having his competition made more severe by these aids to the periodical press? After all, newspapers live by advertising also.

MR. FOWLER: You get very difficult balances here of public interest. I think I would not, for this reason (which I had thought of), but it seems to me some assistance is needed for magazines publishing in Canada. I question whether the situation is such that it needs a great deal of assistance.

THE CHAIRMAN: We are trying to find this out.

MR. FOWLER: Admittedly if you raise the competitive power of magazines in this search for advertising you inescapably trench, or you may trench upon the competitive power of the newspaper; particularly, the smaller newspapers. This is inescapable.

THE CHAIRMAN: It is all right to say that the periodical press makes a great contribution

to the Canadian way of life and to Canadian values and so forth. That is true. We have five hundred weekly newspapers in this country. I think they make a community effort also. They have to have a slice of the advertising pie to exist. There is only so much pie. If by actually giving magazines assistance by the postal authorities or by some other means is there not a danger of weakening the position of the weekly press?

MR. FOWLER: I think there is in the specific...

THE CHAIRMAN: I am only asking for your opinion. I have a perfectly open mind.

MR. FOWLER: I think there is in the specific matter of competition for the advertising dollar. It is a possibility. I do not think the actual competition of foreign magazines strikes very closely to the weekly newspaper. It is purely the advertising side of it that would be effected.

Provided the assistance given to the magazines is reasonable and not too much I would personally not feel that the transmittal effect would be very great on weekly newspapers. In other words I think there is a fairly distinct difference in the kind of advertising that goes into magazines and the kind that goes into the weekly newspapers. The weekly newspaper has much more of the local type of sale, classified advertising and so on, that type of thing. I doubt very much if the type of magazines,

the national consumer magazines, would actually affect it very much.

THE CHAIRMAN: About your non-profit publications, and I know you are just putting forward the suggestion, but what would be the position if one man were publishing the non-profit publication under the arrangement which you have indicated or outlined - what would be the position of that publisher in relation to the poor devil who is trying to make a little money out of it for gain? Wouldn't this competition be rather severe?

MR. FOWLER: Well, I point out to you this precise thing does exist today. The London Times is so established as a non-profit organization.

THE CHAIRMAN: And the Spectator.

MR. FOWLER: These are the very type of newspapers in the English experience which require a certain maintenance and support. You do not have to worry about big magazine circulation dailies, the Express, the Mirror and the Mail. At least, I hope you don't.

The point is that this trust device is more likely to be used for the cultural type of magazines, and as such it is not in such severe competition with the magazines, circulation magazines.

THE CHAIRMAN: I have just one more question and I will be finished. Supposing you were writing this report and you were recommending very positive action with respect to American magazine

competition in this country, would you deem it very important to have this explained to the American people in the report, to give reasons for it?

MR. FOWLER: I think it is very important. I imagine what you are talking about, Mr. O'Leary, is that we have a problem with Canadian, American relations today. We do not want the friction to get any worse. I am quite sure no one of you three gentlemen wants to be a contributor to increased friction with the United States. I would hope very much you would **explain** in the most careful way - whether you will get it across to the American people or not, I don't know, but at least you can try.

THE CHAIRMAN: Personally I would think it would be a calamity, that word has been hurled at us three or four times, it would be a calamity if our periodical press disappeared. I think, perhaps, that is true. I think it would be an equal calamity if we took positive action against American publications coming into this country and I am talking about what I have seen on the government files, and the position of the United States government on this, unless some steps were taken to explain to the American people, to the average American just what the situation is. I wonder if they know, for example, that for every Canadian, the name of every Canadian title on Canadian newsstands there are three hundred American. I wonder how they would

react if the positions were reversed. These are the things I think we must impress upon the American people before we do anything of a drastic character.

Let me put one more question to you: you have rejected tariffs. You have rejected subsidies and, I think the periodical press themselves would reject the subsidies. They have said so. You have rejected some other things here. If you had a set of facts presented to you that there was a real danger that the Canadian periodical press would disappear entirely within the next ten years unless some steps were taken, would you still back away from these things you have said were undesirable if you had to choose between the two evils?

MR. FOWLER: If I had to choose -- in the first place I would not like to see the Canadian periodical press of Canada disappear. I want to see it grow. As between these two things which I rejected, or at least questioned...

THE CHAIRMAN: The wisdom of them.

MR. FOWLER: I think they are doubtful. I would personally prefer some method of subsidizing, some form of direct financial assistance rather than the tariff route. I just find it very difficult to see or to feel right about tariffs on matters coming into this country, reading matter coming into this country.

THE CHAIRMAN: You are not afraid of the

effect of such subsidy upon the character of the publication, upon its editorial programme?

MR. FOWLER: I think there are ways of handling state subsidies which may be possible to get around this. After all, we do give state subsidy to the private broadcasters in the form of the programmes they are handed to be carried.

THE CHAIRMAN: You control their programming?

MR. FOWLER: That is right.

THE CHAIRMAN: Give them subsidies, but control their editorial content. In the broadcasting companies you get this and that, 55 per cent Canadian content. You listen to fiddlers who cannot fiddle, singers who cannot sing and ballet dancers who cannot dance the ballet, just to maintain our Canadian identity. Would you do this to the Canadian publications?

MR. FOWLER: You may be right, but we may get some ballet dancers who can dance. We may get some singers who can sing and we may get some fiddlers who can fiddle.

COMMISSIONER JOHNSTON: Mr. Fowler, you may be interested to know your attitudes on tariffs and licensing and so forth are exactly the same as those, as I remember those of the Minister of Education of the Socialist Province of Saskatchewan.

MR. FOWLER: I think you will find the same attitude in the Liberal Province of Quebec.

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COMMISSIONER JOHNSTON: You may be right.

THE CHAIRMAN: And possibly the Conservative Province of Ontario.

MR. FOWLER: You have not been there yet.

COMMISSIONER JOHNSTON: You have noted, as we all have, the demise of quite a number of Canadian periodicals in the last twenty years. Would you say that was due to competition? The management of all those now existing is excellent, there is no doubt about that. Was it bad management, too much competition or a combination of both?

MR. FOWLER: Well, I would say it is, with the magazine publishing business like some other businesses, one is going to have quite a high casualty rate in it, no matter what you have. There are all kinds of people that want to start a magazine or get a right idea, but it may not be a very wise one. I would like to see what the rate of demise of publications is now as compared with fifty years ago.

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Of course we don't have very many so it is very hard to measure and I think it is very easy to exaggerate the inescapable and inevitable death of magazines. I think you are going to have them in any active and vigorous magazine publishing industry. It is the nature of the beast and I think that you can ,perhaps ,too easily ascribe this to unfair competition ,so called when, in fact, it is just the fact that it was not a very successful venture and not very well managed or not very well something elsed. I think that a fairly heavy inflow and outflow in the magazine business is one that is probably the nature of the business.

COMMISSIONER JOHNSTON: If we had no Canadian periodical press ,would we stop be Canadians?

MR. FOWLER: I do not think so, no.

COMMISSIONER JOHNSTON: Neither do I.

MR. FOWLER: I do not think so at all and I think this is one of t e tools that is important. I think we have other agents,but I would like t keep as many of the weapons sharp as we can.

THE CHAIRMAN: Thank you Mr. Fowler, for a most interesting and helpful c ntribution.

SUBMISSION BY J.E. McDOUGALL

MR. McDOUGALL: I am a sometime writer, ex publisher and member of an advertising agency

THE CHAIRMAN: What is the advertising agency?

MR. McDOUGALL: Cockfield-Brown

Mr Chairman and gentlemen: I consider it a privilege to present to this Commission certain strongly held views on the question under consideration.

I may say that I feel I ought to, perhaps, register a gentle complaint at the order of my appearance, because Mr. Fowler has just made some of the salient points of my brief and much more ably than I could; so, I shall have to extract from that the flattering qualities and carry on at the risk of being somewhat repetitious. In presenting them, I should like to make it clear at the outset that I am doing so as an individual and not as representative of a publication, company or association. I am approaching the problem in my capacity of a reader of Canadian periodicals, a contributor to them, a former editor of a national Canadian magazine, a practising advertising man and as a Canadian.

The question of the welfare, and even survival, of Canadian periodicals in the face of foreign competition is one which obviously involves both economic and cultural considerations. By "cultural" I am not referring to aesthetic or

intellectual values so much as national characteristics. The two are however obviously inextricably involved, since the romantic but spurious concept of the artist doing his best work starving in a garret has no validity whether applied to the Canadian author or the Canadian publisher.

The publishing business, particularly in Canada, has always been an undertaking characterized by marginal profits. It is a business which is peculiar in that its welfare does not depend entirely, or even primarily, upon the volume of sales of a product at an established price. The economics of publishing are such that widespread acceptance on the part of the public reflected in large circulation, calls for commensurate revenue from the sale of advertising. A subscription is commonly a commitment which must be fulfilled at a loss when considered apart from advertising revenue. In short, in the type of society in which we live, the life blood of a popular periodical is the volume of advertising it carries.

The selling of advertising is at best and at all times a highly competitive business. The multiplicity of media competing for the advertising dollar presents and will continue to present a challenge, even when considered quite apart from the question of inequality of opportunity. Canadian periodicals have, however, proved themselves to be quite capable of defending their own interests

in competition with other types of domestic media:

Fair competition is normal and desirable. Ideally it should be of such a character that an enterprising publisher should be able to introduce a new magazine in the Canadian market, confident that his success or failure depended upon the acceptability of his editorial ideas and the vigour of his business enterprise. This is not the condition which exists today. In an economy in which, in recent years, a multiplicity of new industries has sprung up and achieved success the periodical business is remarkable in that since the founding of Chatelaine magazine in 1928 or possibly 1930 -- there is some confusion about that -- no Canadian magazine aimed at general circulation has been successfully introduced and maintained. Among the present survivors several appear to have been kept alive as a result of publishing zeal rather than strictly business considerations. And there have been notable casualties.

It would appear to be important to clarify the position of two eminently successful Canadian publications, the Star Weekly and Weekend. Both have many of the characteristics of true magazines but each has been aided to its present position of relative independence by circumstances which do not apply to periodical publishing in general. Whether they are referred to as magazines or not is really

a question of semantics. Both are children of wealthy parents and have reached such a position of financial security that, while they too may well be said to suffer from unfair competition from foreign periodicals, my concern is not directly with them. The essential problem relates to what may be termed the conventional magazine and the question of whether or not it can or ought to survive, and whether this publishing field should once again present opportunities for new entrants..

From many competent briefs already submitted to the Commission it must now be apparent that Canadian periodicals labour under a distinct economic disadvantage.. The savings in editorial costs and the economies made possible by mass circulation enjoyed by the publishers of American magazines having so-called Canadian editions obviously make it possible for them to offer to the Canadian advertiser a notably more expensively produced product at harmfully competitive advertising rates. This fact is reflected in the current situation where in 1959 the advertising revenue earned by the Canadian editions of Time and Reader's Digest amounted to seven tenths of the total revenue of the nine leading truly Canadian magazines..

The fact that the Reader's Digest is printed in Canada and that Time's Canadian Edition contemplates printing in Canada has no bearing on the question since the location of the printing press is not of the essence.

Wherever these publications, and others which may come, may be printed, the basic problem remains: the requirement that forces Canadian periodicals to vie for essential advertising revenue with rivals who hold most of the winning cards. In this unequal contest, one must reluctantly prophesy the time when the publishing of worthwhile indigenous Canadian periodicals will approach the impossible. It is safe to say that the attractions of Canadian periodical publishing have for some time continued to diminish. If the ultimate should be reached it is certain that the verdict will be final.

Let me affirm at this point that I do not unreservedly regard the Canadian periodical publisher as a knight in shining armour. Quite possibly he is not blameless. Perhaps he has been slow to respond to the stimulating influence of American periodical journalism. Quite possibly there are steps which have not been taken, or which have been taken slowly, to challenge foreign editorial competition. It has been suggested that the publishers of Canadian periodicals might well study their American rivals with profit and perhaps "learn something". In answer, I would say that Canadian publishers have had no choice but to be painfully

aware of American techniques, and that, indeed, they have often perforce applied these techniques, to the detriment of certain aspects of their basic responsibility of providing a market for some forms of Canadian writing.

It is my conviction, however, that the Canadian periodical fulfils a useful function in our national culture and that, if permitted to do so, it can expand its usefulness. It provides at present a vehicle for the expression of Canadian thought and idiom, a vehicle important in itself and distinct from the daily and weekly press, radio, television or book publishing. While each of these means of communication possesses its own integrity and right to existence, it seems to me that if we are to encourage and sustain a distinctively Canadian literature, the magazine is of prime importance. It has a role to play in providing a forum for Canadian writers who have something of value to say to their fellow Canadians. It offers a breeding ground for writers who will eventually be the authors of Canadian books of significance. In short, it represents the printed word at the service of Canadian opinion and imagination in a manner which is not precisely duplicated by any other medium. If the Canadian magazine is to foster a growing concept of Canadianism, quite apart from narrow nationalism, it must be permitted to do so without being called upon to emulate the slingshot skill of the biblical David

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every day of the year. It should be free to play against Canadian rivals on the Canadian gridiron, without at the same time having to take on the ~~might~~ of highly paid professional teams from across the border.

Much is written and spoken these days about the Canadian way of life. The very fact that it has become a topic of such interest is symptomatic. It is doubtful if in the days of the pioneers, thought was given to the necessity of defining it. It is probably psychologically correct to say that one becomes concerned about one's own peculiar culture only when it is in danger of being absorbed by outside cultural influences. The Canadian resident who takes his nationality more or less for granted becomes aware of it in telling fashion when he visits other countries. With us the situation is reversed. Our awareness probably stems from the fact that in a very real sense another country is not only visiting us but, albeit with the best will in the world, settling down among us and amiably enough, crowding us in our own home. I submit that a distinctively Canadian way of life does exist. It is reflected in many ways. It seems to many Canadians that it is of a more stable nature than that which exists in the United States. It is less subject to fluctuation, less volatile. By its nature it acknowledges the more conservative influences which were inherent in our national origin. Canadians are by nature

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less swayed by panic, less elated by passing fancies. The typical Canadian characteristics, while in many respects less dramatic or perhaps less entertaining than those of our neighbours, nevertheless are appropriate to the development of a nation which may stand for moderation and reason in a world sorely in need of these qualities.

Whatever our Canadian way of life may be in the last analysis, I submit that it is worth preserving and worth defending if we are to develop into a distinctive entity among the nations of the world. It is particularly in need of defence at this period in our growth: A period when our population has not yet reached the point where by sheer numbers the assertion of our individuality would become more or less automatic, a period when our small population and our juxtaposition to a great and dynamic nation tends in many respects to develop an inferiority complex within us, a period when we have newly absorbed great numbers of immigrants from other cultures, and a time when the world is in a state of flux as probably never before, and when our young men and women are particularly susceptible to external influences. The nurturing of a true Canadian entity is also complicated by the fact of our dual culture. In this respect we are much more exposed to ideological absorption than is the case, for example, with Great Britain, Mexico or Sweden. Compared with most other nations we are moreover

vulnerable in that our national characteristics stem from a heritage of shorter duration and are comprised of many as yet unresolved elements.

Against this background the role of literature assumes added importance. Certainly if literature is to contribute to the formation of our national character it must be indigenous literature. Certainly, compared with many lands, we are still a nation in search of its true identity. The Canadian writer has a vital role to play. The truly Canadian magazine should afford him a serviceable stage for his performance.

At the core of the matter is the Canadian writer. He represents the essential voice. Canadian writers however, in common with their fellow men everywhere, suffer under the disability that in order to live they must eat. And in order to eat they must have a market for their wares. If that market thrives in Canada they will write accordingly. If the market is essentially American, they will obviously turn their talents toward writing for American tastes. In self-protection they will learn to write according to a formula acceptable across the border -- a formula which is not the least concerned with Canadian aspirations. As the Canadian market has shrunk, Canadian writers have understandably followed this natural direction or, as I have observed widely, have diverted their talents to other means of earning a living.

The Canadian writer, particularly the writer

of fiction, also suffers from a disability which results indirectly from the American word invasion. The Canadian periodical, in a laudable effort to attract attention to itself and to compete editorially, tends further and further away from the areas of pure creative writing. To illustrate: The publication of the finest short story imaginable in a Canadian magazine is less likely to result in word of mouth benefits to the publisher than, say, an article on the subject of counterfeit money or abortion. And so, even at home, the market for the Canadian creative writer shrinks and the colonization of our minds progresses.

Good Canadian writers, however, exist; they have achieved success in other parts of the world. Public interest in Canadian writing exists, but its potential requires development. As this nation grows, even numerically, a growing national consciousness will feed this interest in our national literature. If the Canadian way of life deserves to survive, if it has an essential integrity of its own, it will do so provided only it is given adequate vehicles for expression. One such primary vehicle is the Canadian periodical.

Talent, whether in writing or in publishing, is not a commodity which is confined by international barriers. The Canadian publisher, moreover, has the advantage of identification with his readers. Given reasonable conditions he can sustain himself

successfully. Yet one should tread warily in attempting to right the situation.

It is fruitless to condemn the American publishers of "Canadian" editions who have done no more than to operate in Canada fairly enough under the existing rules. They have certainly contributed to making magazine advertising as a whole the major advertising medium that it is today. They have enriched our reading in many ways.

It is true that the existence of the so-called Canadian editions has created the apparent anomaly of a 100 per cent pure Canadian manufacturer spending his advertising money in a foreign publication for the exclusive purpose of reaching Canadian customers. This has, however, a measure of justification. Since approximately two thirds of the value of national advertising expenditures in Canada is placed by firms which are branches of international corporations -- and who thus enjoy the advantages of research, product development, and overflow advertising of their parent companies -- the Canadian manufacturer may be justified in availing himself of what he considers to be the most effective and economic means at his disposal to promote his business against this competition.

In all, there are favourable aspects to the existence among us of these so-called Canadian editions but the price we have had to pay is a tangible impediment to the progress of our native

national press.

One might say that the American periodical, even in its somewhat transparent Canadian costume, is not shivering in our northern clime. The Canadian editions of foreign magazines are not ailing; the disease is essentially one which afflicts our own periodical press. It is there that the remedy should be applied.

In our search for remedies we will do well to eliminate measures which may be worse in their effect than the disease. For example:

It would be undesirable to apply devices which would work against the essential principle of freedom of speech and the unrestricted exchange of ideas.

One must also accept as a principle the fact that it will not be possible to force Canadians to read Canadian magazines.

Any measure which would make American magazines cost more in Canada would penalize the Canadian reader, and it is doubtful if it would divert their readers to Canadian magazines to a justifiable extent.

If higher price should force down the circulations of Canadian editions it would make them a less attractive advertising buy. But certainly until such time as the purely Canadian periodicals would be able to build their circulations to a

compensating extent, the attractions of magazines as an advertising medium in Canada would be correspondingly diminished. This in turn might tend, at least temporarily, to encourage international advertisers to rely to an even greater extent than at present upon the overflow circulation of purely American editions. This situation already exists. For example, one American advertiser enjoys on behalf of one product an overflow circulation in Canada from purely American editions of 1,310,695 copies per issue. The product is also advertised in Canadian publications but the conventional magazine field is regarded as being taken care of by the overflow coverage.

The noble experiment of applying a tax upon advertising carried in Canadian editions of American magazines failed to achieve effectively the purpose for which it was designed.

The idea of direct governmental subsidies to Canadian magazines is abhorrent, tending as it would to make the Canadian publisher beholden to a government, a condition which would undoubtedly exert a restricting influence upon editorial policy.

As a Canadian deeply concerned with the

preservation and growth of the Canadian entity one defends the pseudo-Canadian editions with some reluctance. In the first place, it must be obvious that they are not essentially Canadian. For example, it is my understanding that no editorial material is acceptable for the Canadian edition of Reader's Digest unless it is also acceptable for publication in the parent U.S. magazine. The token coverage of Canadian affairs carried in the Canadian edition of Time, edited in New York, suffers, at least in the eyes of this observer, from a built-in attitude, consciously or unconsciously adopted, which is essentially foreign. The temptation to recommend ordering so-called Canadian Editions to become truly Canadian or to stop pretending is a strong one.

Having disposed of some negative considerations, one looks for a positive approach. The writer does not pretend to have a definitive answer. However, some general indications seem to be worth pondering.

One approach might be to apply legislation similar to that which obtains in the case of broadcasting. This might result in a ruling that in order to publish a Canadian edition and to solicit advertising for it the magazine must be printed and edited in Canada, and its editorial columns must include a minimum percentage, 55 per cent for example, of Canadian content.

Desirable as such a move might be from the national point of view it is suggested that the day has passed when such a move should be undertaken since it would result in inequitable action against certain large business enterprises which have established themselves in this country in good faith, and have acted within the framework of policy permitted by Canadian governments. It is suggested, however, that the Commission might give consideration to the institution of such a policy following a progressive pattern of development which would grant to the American publisher a reasonable length of time to adjust.

A second alternative might be found in adopting a policy toward Canadian periodicals in line with that which was applied to Canadian wartime industries, in which case special depreciation allowances were granted together with an effective measure of taxation relief. It is my understanding that a not dissimilar policy applies to the initiation of mining operations in this country in which cases relief from income tax is granted for a period of three years dating from an initial six months period devoted to preparing for operations. I understand also that losses and depreciation

which would normally be chargeable during the three year period may in these cases be deferred and be deducted from income for taxation purposes in the immediately following years. It is not suggested that this specific pattern is appropriate to the present situation. It does nevertheless afford a suggested precedent, in which enterprise considered to be in the national interest is encouraged by means of favourable taxation consideration.

While definitely opposed to anything in the nature of direct Governmental subsidy, the writer is curious as to the possibility of developing a method whereby, through some agency which would be as independent of political influence as the Canada Council, financial encouragement might be accorded deserving Canadian periodicals. One might ask the question: If it is desirable to encourage a young Canadian writer by according him financial support through the Canada Council, in order to enable him to develop his talent, why is it not appropriate to act in some similar fashion to develop the primary market for his writing? This in preference to tempting the Canadian-fostered writer to emigrate eventually, or at least to seek

his market beyond our borders. Direct grants to Canadian publishers, however, which have not been sought and which, to the best of my knowledge, would probably not be accepted by many, would not be practical. Possibly, however, an independent body might be set up for the purpose of making cash awards in appropriate categories to Canadian writers and artists whose work appears in Canadian publications which qualified as such by reason of their measure of Canadian content. If these awards were sufficiently large and numerous they would serve as a definite incentive to writers and artists to write for Canada, and would greatly enhance their interest in contributing to our own magazines -- and I include there the little magazines.

Whatever means may be taken to ameliorate an untenable situation, recognition should be accorded to the fact that our Canadian culture is not threatened by the invasion of an enemy, but rather by the smothering attentions of a friend. American motives are not seriously in question. What is in question is the independent survival of an important section of our Canadian press. That it stands in need of assistance there can be no doubt. There is ample precedent for the according of assistance to Canadian enterprise. It remains for a method to be developed

-- a method which will avoid nationalistic discrimination, the establishment of dependence upon direct patronage, or an increase in the cost of advertising to the Canadian manufacturer. The solution appears to me to be in the direction of the creating of a more favourable economic climate in which Canadian periodical publishers can better serve Canadian industry, Canadian readers, Canadian writers and artists, and in general play their appropriate role in the development of a distinctively Canadian culture.

Concluding, I should like once more to express appreciation for the privilege of making this submission and to emphasize again the fact that it is made as an individual. The views expressed do not necessarily reflect those of any interest other than my own.

THE CHAIRMAN: Mr. McDougall, will you be here this afternoon?

MR. McDOUGALL: I will, yes.

THE CHAIRMAN: Then we shall adjourn until 2:30 p.m.

---Luncheon Adjournment.

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--- On commencing at 2:30 p.m.

THE CHAIRMAN: Order please, gentlemen.

COMMISSIONER JOHNSTON: Mr. McDougall. I see that you are a former editor of a national Canadian magazine. Would you care to identify further?

MR. McDOUGALL: This was the Goblin magazine which lasted for some $9\frac{1}{2}$ years as a national publication.

COMMISSIONER JOHNSTON: Did it make money most of the time?

MR. McDOUGALL: It was one day turkey and one day feathers. but at one time we did have \$50,000.00 in our bank account - yes, it did. The newsstand sale was a greater newsstand sale than that of any other Canadian magazine during most of its career.

COMMISSIONER JOHNSTON: It was not subsidized?

MR. McDOUGALL: It was not subsidized.

COMMISSIONER JOHNSTON: Except by the contributors?

MR. McDOUGALL: By the advertising.

COMMISSIONER JOHNSTON: Were the contributors paid?

MR. McDOUGALL: The contributors were paid when they caught up with us, and sometimes very well indeed; but it was a very precarious existence throughout most of the life of the publication.

COMMISSIONER JOHNSTON: I know you are not speaking for your company but you must have some

ideas about the advertising business having worked in it for years. What is the effect of mass advertising, overflow advertising, on Canadian manufacturers who cannot get into those magazines, who cannot afford to get in?

MR. McDOUGALL: They work at a disadvantage opposite international companies although they have many many avenues which they can use, many vehicles which they can use to reach their audience. However the overflow circulation of advertising for products sold both sides of the border obviously gives an advantage to the international firm. Various attempts have been made in a half-hearted way, I believe, to measure the effectiveness. It is not easy to arrive at the effectiveness. Many many years ago I was the representative of my magazine on the Magazine Publishers' Association, and at that time we made a survey and did some research as to the effectiveness of advertising in American periodicals, the effectiveness among Canadian readers, Canadian consumers. We satisfied ourselves at that time that the same advertisements appearing in a strictly Canadian magazine had an impact value, to coin a phrase, on the reader better than that of the same advertising in an American magazine in a ratio of three to one. Looking back, I believe that our research techniques were somewhat rudimentary, but there is no question about it

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that an advertisement for a product sold on both sides of the border appearing in a strictly Canadian publication does have a plus value. Even though, as has been said, readers of American publications may know that they can or cannot buy the article in Canada, the whole editorial slant of the American magazine, I believe, sets up a sort of censorship in the mind of the reader to the effect that "this is not really directed straight at me; I am looking over someone's shoulder, I am looking over my American cousin's shoulder". This certainly does not dissipate the value too much but it does give the Canadian magazine a slight edge in that respect in that very narrow area.

COMMISSIONER JOHNSTON: The equal mill line rates for United States magazines and Canadian magazines would be better in the Canadian magazine?

MR. McDOUGALL: I should be competent to answer that, but I do not think I am.

COMMISSIONER JOHNSTON: Well, have you not answered it?

MR. McDOUGALL: Yes, in a broad way.

COMMISSIONER JOHNSTON: In your paragraph 19 you say:

"The Canadian manufacturer may be justified in availing himself of what he considers to be the most effective and economic means at his disposal to

promote his business".

In other words, for the Canadian manufacturer, even though he is trying to promote a Canadian campaign, will justify that in advertising in United States publications on a purely economic basis?

MR. McDOUGALL: I think it is dangerous to generalize too far, but if it is not an excuse at least it is one reason why editions are patronized.

COMMISSIONER JOHNSTON: Do you see any impairment of freedom of speech if Canadian magazines had eliminated in their behalf the disadvantage of United States competition?

MR. McDOUGALL: Mr. Commissioner, that is a very broad subject. I think it could be interpreted as constituting a very definite limitation on freedom of speech.

Mr. Fowler made this point and I made a note from the report of the Commission of Broadcasting quoting Mr. Fowler's words.

"Freedom of speech is one of the basic freedoms in a democratic society. But the principle can be, and is at times, used in an attempt to protect private rights and privileges which have nothing to do with the essentials of this freedom. Freedom of the press is not, except in an incidental or secondary sense, the right of the publisher to be free from

government interference or control.

The essential freedom is that of the individual citizen to publish, to resort to the written and the spoken word, to communicate his ideas and proposals to his fellow citizens without prohibition or interference so long as the laws of the land are not broken."

Therefore I place the emphasis on the subject of freedom of speech on Canada, on Canadian writers' and Canadian people's ideas. Certainly I would greatly regret anything which even slowed down the entry into this country of ideas from across the border or from any other country.

COMMISSIONER JOHNSTON: If the import of United States periodicals or periodicals from any other foreign country resulted in our not having any periodical press in Canada would that not be promoting United States ideas at the expense of Canadian ideas?

MR. McDOUGALL: It certainly would, yes.

COMMISSIONER JOHNSTON: Then I think you have contradicted yourself, have you not?

MR. McDOUGALL: It would result in the removal of one medium of expression in Canada and a medium which I do not think is duplicated by any other medium of expression in Canada. My whole emphasis is to make it possible for this Canadian medium of expression to exist and to flourish rather

than to restrict the entry of ideas from abroad.

The disease lies here, not with American publications. It is with us; it is our publications which are suffering. I subscribe to Maclean's and to Chatelaine and Saturday Night, to Marketing, also to Advertising Age, Commentary, and a very intelligent magazine called Best Articles and Stories. I read Time regularly and I read Reader's Digest and Printers' Ink. I would feel my liberty was being impaired if I did not have free access to these American publications as well.

COMMISSIONER JOHNSTON: Did you read Time before 1943?

Mr. McDOUGALL: Yes, I did.

COMMISSIONER JOHNSTON: It had no Canadian advertising then.

MR. McDOUGALL: That is right.

COMMISSIONER JOHNSTON: Would you read it again if it had no Canadian advertising?

MR. McDOUGALL: Yes.

COMMISSIONER JOHNSTON: On page 13 of your submission you speak of including a minimum percentage of Canadian content and then,

"Desirable as such a move might be from the national point of view it is suggested that the day has passed when such a move should be undertaken since it would result in inequitable action

against certain large business enterprises which have established themselves in this country in good faith, and have acted within the framework of policy permitted by Canadian governments."

Are there not from time to time changes in Customs regulations which affect manufacturers in various industries?

MR. McDOUGALL: Indeed there are, but these American publications which have published Canadian editions have done so in good faith and have made tremendous investments in this country. I feel that to act in a manner to cut their throats at this point would be unthinkable. I do feel that moves in the direction of making them come out and be what I feel they should be would be excellent moves.

In preparing this brief I consulted with quite a number of Canadian writers and I would like to quote one because the opinion he gives is my opinion too. This is a very successful writer, a man who has lived by writing all his life and who is now suffering, in his opinion, from this condition which has been discussed so much. He says:

"I see no great harm in the 'Canadian' editions of American magazines so long as we recognize them for what they are - pretexts to get a product into the country. They could be of real benefit

if they were genuinely designed - American editorial methods, money, etc. applied to getting out a magazine predominantly Canadian in tone, with the best features of the American edition to fill out the content."

Who knows but what Canadian editors would end up influencing the American editors? He then says that Canadian editors would play the role he attributes to the Scots as opposed to the English.

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COMMISSIONER JOHNSTON: Do you have any objection to giving us the name of this writer?

MR. McDOUGALL: I haven't his permission to do so, sir. I have no doubt he would be willing.

COMMISSIONER JOHNSTON: Have you any knowledge of how much investment Time has in this country?

MR. McDOUGALL: No, but it must be considerable.

COMMISSIONER JOHNSTON: They have no printing plant.

MR. McDOUGALL: No, I wouldn't ---

COMMISSIONER JOHNSTON: They have office leases. Is there anything else about which you know?

MR. McDOUGALL: Yes, they employ a staff and they have agents ---

COMMISSIONER JOHNSTON: Is that their investment or is that the staff's investment?

MR. McDOUGALL: That is the staff's investment, yes.

THE CHAIRMAN: Would you say, sir, that any vested interested or vested right should take precedence over the national interest, if it could be shown that would give nearly all ---

MR. McDOUGALL: No, I certainly would not, sir.

COMMISSIONER BEAUBIEN: You were talking about free access of information a few moments ago.

I believe Time sells for 25 cents. If a tax was put on Time so that the cost of the magazine would be fifty cents, would you say that would interfere with free access?

Mr. McDOUGALL: Well, it would be penalizing the Canadian reader to a certain extent but if it were fifty cents, the circulation, I think, would go down. You would have to do the same thing to Reader's Digest and contrary to some opinion I have the feeling that the existing circulation provided by Time and Reader's Digest more particularly would be impaired as to magazine advertising as a medium or a more effective arm of advertising and anything which would impair them might very well induce advertisers to pull out of magazines and go into someother medium from which, in my opinion, the strictly Canadian magazine would suffer to some extent.

By the same token the attitude of American advertisers, international advertisers, might very well be to feel that the cake was not worth the candle to advertise in Canadian magazines plus Canadian editions.

COMMISSIONER BEAUBIEN: All right. Suppose I make it thirty five cents. In other words, it is a question of degree. Would you be willing to see a moderate increase or no increase at all.

MR. McDOUGALL: Well, it is very hard to

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answer that question, sir, because it is in a frame of reference to which I do not subscribe. I am opposed to restrictions against American publications and in favour of encouragement to the Canadian opposite number.

COMMISSIONER BEAUBIEN: On page 4 of your brief at the bottom you say:

"I would say that Canadian publishers have had no choice but to be painfully aware of American techniques, and that, indeed, they have often perforce applied these techniques to the detriment of certain aspects of their basic responsibility of providing a market for some forms of Canadian writing."

Would you expand on that?

MR. McDOUGALL: Yes. For example, a younger writer, whom I know very very well who has sold, I suppose, on both sides of the border literally hundreds of short stories said to me: "Where would I sell a Canadian short story today, if I wrote a really good one this week. I am damned if I know where to send it". That is the situation that exists today.

Furthermore Maclean's magazine seems to be very largely staff written. I am not critical of the fact it is staff written. I think it being so largely staff written is intelligent on the part

of Maclean's in order to compete in this difficult field but it lessens the opportunity for free lance writers to find a market in that publication.

COMMISSIONER JOHNSTON: On this matter of freelance writers; is the situation any different than it was thirty years ago.

MR. Mc DOUGALL: Yes. It would be in the field of fiction. I would say perhaps not exclusively but primarily in the field of fiction.

Many people, including myself, who used to sell fiction, would not be encouraged in any way shape or form to go into fiction writing. I have younger people, who are friends of mine and who are quite talented and they say: "What shall I do to develop my writing talent?" I wouldn't encourage them to go into the field of writing fiction for Canadian consumption.

COMMISSIONER JOHNSTON: Wasn't that always true; the moment he wrote what he thought was a first class short story he would send it to his agent in New York first?

MR. McDOUGALL: No, I don't think so. I am talking of fiction reflecting the Canadian scene.

THE CHAIRMAN: How many Canadian magazines buy that sort of fiction now?

MR. McDOUGALL: There are some little magazines that do.

THE CHAIRMAN: Can they afford to pay for them?

MR. McDOUGALL: Well, whether they can pay anything or whether they pay \$25.00, I don't know. It was with that idea in mind I advocated looking into this question of some kind of grant or subsidy from a non-political organization; such as the Canada Council.

I notice on November 20th there is a dispatch in the Montreal Star to the effect that Montreal publishers are to receive more than \$18,000.00 in Canada Council grants to encourage French language authors. Five publishing firms apparently have been given grants to enable them -- this is book publishing -- so there is some kind of precedent having been set up there.

THE CHAIRMAN: Thank you very much, Mr. McDougall, for your help.

MR. McDOUGALL: Mr. Chairman, may I add two footnotes outstanding from Mr. Fowler's talk this morning.

On the question of accelerated depreciation, the question came up that publications not owing its own printing press. On the basis of my own experience, it is very very difficult, if not impossible, for a Canadian publication to exist as an orphan without owning its own printing facilities. The cost of printing elsewhere is

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Fig. 1. Diagram of the method of determining the degree of reduction.

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practically prohibitive so that accelerated depreciation may very well be a helpful thing.

As to non-profit publications, I would be opposed -- in spite of the fact we have had many non-profit publications, although they were not designed to be non-profit -- I am afraid that this might create another form of unfair competition.

Thank you, sir.

THE CHAIRMAN: Thank you very much, sir.

MR. QUINN: Mr. Mark Farrell of the Montreal Standard Publishing Company.

Mr. Farrell's brief will be entered into the record as Exhibit M-5, Mr. Chairman.

<u>EXHIBIT NO. M-5:</u>	Brief of Montreal Standard Publishing Company.
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SUBMISSION OF THE MONTREAL STANDARD
PUBLISHING COMPANY

APPEARANCES:

Mr. Mark Farrell, Vice President and
General Manager.

Mr. Craig Ballantyne, Editor.

Mr. Pierre Gascon, Editor of Perspectives.

THE CHAIRMAN: Would you identify yourself
for the record, please.

MR. FARRELL: I am Mark Farrell, Vice President
and General Manager of the Montreal Standard Publishing
Company Limited. We have here Mr. Craig Ballantyne,
editor and Pierre Gascon, editor of Perspectives.

With your permission, sir, Craig Ballantyne
will read our brief and we shall try to answer any
questions that you are to put to us.

THE CHAIRMAN: Thank you, sir. That is
alright.

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MR. BALLANTYNE: The Montreal Standard Publishing Co., (Limited) would like to thank the Royal Commissioners for the opportunity given to make this submission on behalf of Weekend Magazine, its French-language edition Perspectives, and The Standard. These are the publications we represent here. References we make to ourselves at these hearings are to these publications and not to the daily newspapers in which Weekend Magazine and Perspectives appear.

To establish our position at the outset, since a number of briefs have already been submitted to the Commissioners, we would like to state here our general endorsement of the submissions presented by the Periodical Press Association, the Graphic Arts Industries Association, the Business Newspapers Association, Maclean-Hunter Publishing Co. Ltd., and Consolidated Press Limited. In short, the Canadian position as presented at the Ottawa hearings.

In this brief it is our intent to demonstrate the damage being done to Canadian periodicals under the present unfair competition and the inherent danger of still greater and wider damage; and to suggest lines for the exploration of remedies to allow Canadian periodicals to operate under equitable conditions.

The Issues:

A strong Canadian periodical press represents a vital element in the healthy growth of

of this country and the achievement of its national aspirations. It is our vigorous belief that such a Canadian periodical press is important for the dissemination of information wanted and needed by Canadians which is rarely available from foreign sources and often not readily available from other Canadian sources. It is important for Canadian culture and the independence of Canadian thought.

We would not seek to dam the flow of information -- or even misinformation -- from foreign publications but do seek a balance. We do not believe that any Canadian would, or does, suggest discriminatory action which would prohibit the entry into this country of outside magazines.

Canadian periodicals have a public role. If they must yield this role the vacuum will obviously be filled by printed matter from beyond our borders. Everyone knows that primarily this means from the United States, because of common language and geographic position. This is an issue of national importance -- the right and necessity for Canadian voices to be heard in Canada.

We are not here concerned with the motives or reasons which bring other publications into Canada. The need is to prevent Canadian periodicals from being overwhelmed because of conditions which are so advantageous to competing foreign publications. And if the voice of Canadian periodicals is smothered there may well follow an extension not only to other print

media but to still other methods of communication.

There is a real danger, we feel, of Canadian periodicals being engulfed. Weekend Magazine/Perspectives is a successful operation. We do not fear fair competition. We welcome strong Canadian competition. But we would have no appetite for a situation in which we found ourselves the only genuinely national Canadian publication in the magazine field.

Canadian periodicals face the normal competitive business struggle. They compete among themselves and with other media, including television, radio and outdoor advertising. This is to be expected. But on top of this normal competition comes the burden of magazine competition from without. It is because of this that we look to the future and, if present conditions are unchanged, there are certainly grounds for apprehension.

THE OPERATION OF A PUBLICATION:

However obvious the basic operation of a publication may be, we feel that it is as well to define it:

From the editorial content circulation is obtained; because of this circulation, advertising revenue is obtained; out of advertising revenue, editorial and production costs are met. It is a full circle, a business bloodstream.

If the management of a publication fails to do so, or is prevented from doing, the job necessary

on any of these fronts -- editorial, production, circulation or advertising -- the circle is broken and the effect felt on all the others. If the defect is serious enough on any one front, the whole operation collapses.

This truism is stated because if a publisher faces unfair competition on the editorial front he is in turn unable to obtain the circulation and advertising which will pay for his editorial and production expenses. And what we are dealing with here is just such unfair competition, particularly the dumping of editorial content.

In the magazine field little net revenue comes from circulation. Costs of distribution, promotion and subscription selling tend to absorb a large proportion of circulation revenue. A magazine must rely on its advertising dollars to pay its editorial and production costs.

THE IMPACT OF FOREIGN COMPETITION:

At present foreign competition in the English language is principally from the United States. In the French-language field foreign competition is from *Selection du Reader's Digest*, again American, and it is possible that *Paris Match*, *Marie-Claire* and other French magazines may enter the lists. We know that *Paris Match* has been exploring this. In the English-language field it must always be remembered that sheer weight of numbers threatens to overwhelm Canadian

periodicals. We believe there are few countries in the world subjected to such an intense bombardment.

MAGAZINE CATEGORIES:

Four categories of magazines offering outside competition to Canadian periodicals are being dealt with here. They are a) magazines printed and published beyond our borders which carry neither specific Canadian content nor Canadian advertising but which have overflow circulation in Canada; b) magazines having overflow circulation and split-run Canadian advertising; c) magazines with "Canadian" editions printed and published in or out of Canada with all Canadian advertising and some Canadian editorial content; d) magazines printed outside Canada with a "Canadian" section carrying Canadian advertising and editorial matter.

OVERFLOW CIRCULATION:

Over flow circulation (category "a") from the United States, for example Ladies' Home Journal, provides over half of the American magazine sales in Canada. An analysis of this, from the Audit Bureau of Circulation figures, is provided in the appendix attached to the brief. What must be remembered in the Canadian periodicals' fight for survival is that Canadians have a far greater variety of foreign magazines than Canadian to choose from and that these are principally American. And again we feel it should be emphasized that the concern is

not to block the entry of these magazines but to provide an equal opportunity in our own market places for Canadian periodicals to prevent them from being drowned in the deluge.

The tide flows but it does not ebb. The overflow from Canada to the United States is insignificant. Moreover the United States government protects American publications although the threat to them is nothing compared to the assault on Canadian periodicals.

These overflow circulations from the United States should also be remembered in the context of the operation of a publication, for circulation is a vital spoke in that wheel of operation. Any extra circulation, overflow or other, helps their wheel to turn.

CIRCULATION WITH SPLIT-RUN CANADIAN ADVERTISING:

For a small extra charge an advertiser may run a different advertisement from that appearing in the home copies for circulation which enters Canada (category "b"). The Saturday Evening Post is an example. At present this practice is on a small scale but there is nothing to prevent its almost unlimited increase. More than two-thirds of the major American advertisers sell their goods in Canada and are able to make use of this. But the independent Canadian manufacturer is at an immediate disadvantage. Since he does not advertise in the parent edition he cannot get the cheap

substitute advertisement. These split-runs become another advantage to the U.S. magazines carrying them, more grease for the wheel of their business.

There is a 25 per cent duty on printed advertising matter coming into Canada. A split-run is merely advertising printed in the U.S. for distribution in Canada bound in a publication. In effect this is escaping the tariff.

"CANADIAN" EDITIONS:

These publications, Canadian edition, (category "c"), for example Time Magazine and Reader's Digest, carry only Canadian advertising and a little Canadian editorial content. Time's Canadian editorial content in its "Canadian" edition (first 10 months of 1960) was less than nine per cent of the total editorial content. Reader's Digest, by editing, use of box material and similar devices, thinly disguises its non-Canadian content.

These are not Canadian magazines. They are not to be compared in this context with, for example, Maclean's, The Star Weekly or Perspectives, owned by Canadians, designed and edited by Canadians for Canadians.

By such an interpretation the genuine Canadian magazines might be considered 100 per cent Canadian. But even if a more rigid standard were to be followed and the articles and photos having origin abroad were to be excluded, they would still be preponderantly Canadian. Weekend Magazine,

for example, by this scale carried 78.4 per cent Canadian material in the first 11 months of 1960 and Perspectives 33.0 per cent.

A foreign-owned publication with a subsidiary edition for Canada, printed inside or outside Canada, might with justification claim the subsidiary edition to be a Canadian magazine if, for example, not more than 25 per cent of the editorial content was the same, or substantially the same, as that in the parent edition. But the claim can scarcely be made when 90 per cent or more of the editorial material is taken from the original magazine.

The U.S. magazines which publish "Canadian" editions use very little of their Canadian material in the parent editions. Moreover, these parent editions are not readily available to Canadian subscribers. Time for instance in the first ten months of 1960 under its hemisphere section devoted less than one-half of one per cent of its total editorial space to Canada.

Obviously these magazines are little interested in Canada, except as a place to sell their magazines and reap Canadian advertising dollars.

There should be no misunderstanding on the value of material dumped from the parent edition to the Canadian subsidiary. On the principle that advertising revenue provides the funds for editorial content, we find that the editorial expenses of Weekend Magazine/Perspectives (1960) are slightly

in excess of nine per cent of the advertising revenue. The net advertising revenue is \$9,000,000; nine per cent of this is \$810,000. Using the same nine per cent of the advertising revenue of Time, U.S. and Canadian editions, an editorial budget of \$3,700,000 is available and for Reader's Digest a budget of \$2,800,000.

Obviously here are immense resources to draw upon. Here are pools that genuine Canadian publications cannot hope to match. Whether a "Canadian" edition pays a share to the parent company is immaterial, except perhaps in relation to taxes. What is important is that these resources make high-priced material available to the "Canadian" editions and thus increase the stress on the smaller Canadian periodicals.

"CANADIAN" SECTIONS:

In the case of magazines which add a "Canadian" section (category "d") for example Argosy, the benefit factors cited above are just as pertinent. There is simply a difference in method of operation.

CANADIAN SUBSIDIES ENJOYED BY FOREIGN PUBLICATIONS:

Post Office figures show that there are 531,000,000 copies of publishers' mail originating in Canada (this is shown in Appendix E) being handled at a unit cost of 5.249 cents. In addition we believe that there are more than 120,000,000 copies of American publications coming into Canada from the United States, from which Canada receives no postal

revenue. This kind of imbalance is given recognition in the case of parcel post and adjustment made through what postal officials call "terminal" payments. Even if net loss per unit of 4.034 cents is used, this means there is a subsidy from the Canadian taxpayer of 4.034 cents x 120,000,000 which equals \$4,900,800 -- say \$5,000,000. It is self-evident that the flow in the other direction is insignificant.

It is recognized by the terms of the Berne Convention to which Canada is signatory, that no action via the Post Office can be taken to correct this until 1962 when the next meeting of the Universal Postal Union takes place. The fact remains that the Canadian taxpayer is currently paying this subsidy of \$5,000,000 each year.

In addition it is estimated that there are 40,000,000 copies of U.S. magazines trucked across the border and mailed in Canada to avoid paying the higher United States postal rate which exists up to 1,000 miles. It is worth mentioning here that generally speaking it is cheaper for the American publisher to ship to Canada than to ship more than 1,000 miles in the United States.

As these 40,000,000 copies pay the same second-class rate as a Canadian publisher pays, the subsidy is the net loss in handling these copies. This figure is 4.034 cents per copy. Multiplying these one arrives at a figure of \$1,634,000 -- say \$1,600,000. Finally, there are

approximately 12,000,000 copies annually of Reader's Digest-Selection du Reader's Digest, costing the Canadian taxpayer 4.084 cents per copy, which is \$490,000, or say \$400,000.

The total subsidy, therefore, by the Canadian taxpayer is estimated at \$5,000,000 plus \$1,600,000 plus \$400,000, which equals \$7,000,000.

SALES TAX:

Canada has seen fit to grant an exemption of the federal sales tax of 11 per cent to the Canadian publishing industry, presumably because this was felt to be in the public interest, yet the subsidy is negated in part by granting this same exemption to American and other foreign publications. We doubt that it was ever the intent to subsidize such foreign corporations.

UNITED STATES TARIFF:

Fious professions of freedom of speech are continually being made by American publishers operating in Canada, yet the action of their own government gives the lie to this. If Weekend Magazine or Perspectives carrying all Canadian and no American advertising were to be distributed by an American newspaper a duty of five per cent would have to be paid and 10 per cent if there was any American authorship.

On the other hand This Week, a magazine in the United States similar to Weekend Magazine, with a circulation of over 13,000,000 and distributed

through 42 newspapers, could enter Canada duty free for distribution in a Canadian newspaper.

SUMMARY:

The basic question has been whether foreign competition, mainly from the United States, is unfair to the Canadian periodicals. We strongly contend that it is now, and has been, unfair. The Canadian periodicals are assaulted on all fronts by outside publications which have the advantage of our postal structure and a sales tax exemption never designed for them. They are able to dump their editorial content. All this provides an easy way to gather Canadian advertising. These revenues are then used to get still more circulation and advertising. And for the Canadian periodicals all this comes on top of the normal and natural competition for advertising dollars.

Under such conditions how can Canadian periodicals progress or even survive? And what new ventures in this field by Canadians can be expected? It is our belief that the future is bleak indeed and that the loss will be not only to the periodical business but to the whole field of publishing and to Canada as a nation. It will be a blow to the printing trades and all allied trades and crafts. It will be a loss in skills and talents, which Canada sorely needs. We believe a Canadian periodical press worth fighting for; if it dies all Canadians will suffer in the loss.

APPENDIX A:OUTLINE OF THE HISTORY OF THE MONTREAL STANDARD PUBLISHING CO., (LIMITED) 1905 - 1960:

In July, 1905, the George Murray Publishing Co. Ltd. was incorporated. In 1909 the name was changed to The Montreal Standard Publishing Co. (Limited). Since then it has published The Standard every week.

In March, 1938, John G. McConnell took over the management of the company. At that time, the circulation of The Standard was 75,000, which had slipped from a high of 125,000 in 1930. New money was put into The Standard and substantial additions were made to the staff.

By the end of 1945, these efforts had borne fruit, and circulation had risen to 212,000. News-print controls were taken off in 1946. By 1947, The Standard had reached a circulation of 300,000.

It was then decided that the company needed its own printing facilities; by 1949 a roto-gravure plant was in operation at a cost of \$2,000,000. Since that date, the size of this plant has tripled as has the investment.

From 1957 to 1950, despite all efforts, The Standard circulation stayed at the 300,000 level. In August 1950, it was decided that the prospects for further development, editorially and financially, lay in the newspaper magazine field.

Efforts were made to convince daily newspapers to enter into a co-operative arrangement to

achieve this objective. In March, 1951, Weekend Picture Magazine was announced (the name was changed in 1954 to Weekend Magazine) with the following newspapers participating: The Montreal Star, The Toronto Telegram, The Vancouver Sun, The London Free Press; the first issue to be published on September 3th, 1951.

It should be explained here that as exclusive franchise areas were arranged, the circulation of The Standard was withdrawn in these areas. By the time the first issue of Weekend Magazine appeared, other newspapers had entered the same co-operative arrangement. The original print order was for a circulation of 900,000 with eight daily newspapers and The Standard.

In 1954, Le Soleil asked if it was possible to work out a French-language magazine paralleling Weekend Magazine. In October 1953, it was announced that the first issue of Perspectives would be published on September 12th, 1959. The objective of a truly national magazine had been achieved.

As of today, Weekend Magazine/Perspectives has a circulation in excess of 1,900,000 and is distributed through 34 daily newspapers and one weekly magazine.

The position in round figures is shown below:

The Sunday Times, Victoria, B.C., 27,000

The Sunday Sun, Vancouver, B.C., 250,000

The Albertan, Calgary, Alta., 42,000

The Edmonton Journal, Edmonton, Alta., 117,000
 The Lethbridge Herald, Lethbridge, Alta., 19,000
 The Medicine Hat News, Medicine Hat, Alta., 7,000
 Prince Albert Daily Herald, Prince Albert, Sask., 7,000
 The Moose Jaw Times-Herald, Moose Jaw, Sask., 9,000
 The Winnipeg Tribune, Winnipeg, Man., 82,000
 The Daily Times-Journal, Fort William, Ont., 16,000
 The News-Chronicle, Port Arthur, Ont., 15,000
 The Daily Press, Timmins, Ont., 11,000
 The London Free Press, London, Ont., 109,000
 The Sudbury Star, Sudbury, Ont., 30,000
 Northern Daily News, Kirkland Lake, Ont., 7,000
 The Brantford Expositor, Brantford, Ont., 22,000
 The Hamilton Spectator, Hamilton, Ont., 107,000
 The Telegram, Toronto, Ont., 232,000
 Peterborough Examiner, Peterborough, Ont., 23,000
 The Kingston Whig-Standard, Kingston, Ont., 22,000
 The Ottawa Citizen, Ottawa, Ont., 75,000
 Le Droit, Ottawa, Ont., 35,000
 The Montreal Star, Montreal, Que., 200,000
 The Standard, Montreal, Que., 25,000
 Le Nouvelliste, Trois-Rivieres, Que., 35,000
 La Voix de l'Est, Granby, Que., 12,000
 La Tribune, Sherbrooke, Que., 39,000
 Quebec Chronicle-Telegraph, Quebec, Que., 6,000
 Le Soleil, Quebec, Que., 131,000
 The Telegraph-Journal & Evening Times-Globe, Saint
 John, N.B., 44,000
 The Times & Transcript, Moncton, N.B., 26,000

The Evening Patriot, Charlottetown, P.E.I., 6,000

Cape Breton Post, Sydney, N.S., 26,000

The Western Star, Corner Brook, Mfld., 7,000

The Evening Telegram, St. John's, Nfld., 29,000

Total: 1,900,000.

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APPENDIX B:THE POSITION OF WEEKEND MAGAZINE/PERSPECTIVES IN THE MEDIA FIELD:

In 1960 Weekend Magazine will average 48.5 pages per week, containing 53 per cent editorial content and 47 per cent advertising.

Perspectives will average 40 pages per week, containing 60 per cent editorial and 40 per cent advertising.

Weekend Magazine/Perspectives competes for its advertising revenue not only with other magazines but with all media except daily newspapers. The main competitive media are television, magazines, radio and outdoor.

Weekend Magazine's share of the advertising dollar in 1958, the last year for which Dominion Bureau of Statistics figures are available, is shown on the next page.

Briefly it is:

2.1 per cent of the total advertising dollar.

2.8 per cent of the print advertising dollar.

6.8 per cent of the print advertising dollar excluding daily newspapers.

11.6 per cent of the magazine advertising dollar.

21.9 per cent of the general magazine advertising dollar.

There has been no appreciable change in Weekend Magazine's share of the market in 1959 or 1960. Obviously enough television has increased

its share of the market in 1959 and 1960. We have made no attempt to estimate these two years. Week-end Magazine/Perspectives net advertising revenue in 1959 was \$8,100,000 and in 1960 will be \$9,000,000 (to nearest hundred thousand dollars).

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Media	Advertising Revenue	Weekend Magazine (Net Advertising Revenue \$7,300,000.) Percentage Share of Market
Television—Agency Commissionable Billings which, generally speaking, does not include Retail advertising.	\$ 48,000,000.	
Radio—Agency Commissionable Billings which, generally speaking, does not include Retail advertising.	24,000,000.	
Other Visual (outdoor)—Agency Commissionable Billings which, generally speaking, does not include Retail advertising.	11,000,000.	
All Print—Net total advertising revenue, all types.	261,000,000.	2.12%
Total Advertising	<u>\$344,000,000.</u>	
All Print	261,000,000.	2.80%
Less: Daily Newspapers	153,000,000.	
All Other Print	<u>\$108,000,000.</u>	
All Other Print	108,000,000.	6.76%
Less: Newspapers, Weekly, Semi-Weekly, Tri-Weekly	\$ 20,000,000.	
Less: Telephone & City Directories	22,000,000.	
Less: Religious, School, Fraternal, Juvenile and all other	<u>3,000,000.</u>	
Magazines	<u>\$ 63,000,000.</u>	
Magazines	63,000,000.	11.59%
Less: Business Publications	23,400,000.	
Less: Agricultural Publications	<u>6,300,000.</u>	
General Magazines	<u>\$ 33,300,000.</u>	21.92%
National Weekends (1)	16,500,000.	
Other Magazines	<u>17,800,000.</u>	
General Magazines	<u>\$ 33,300,000.</u>	21.92%

i.e., Dominion Bureau of Statistics include some minor publications in this category. No attempt has been made to estimate the advertising revenue of these publications as the total combined figure is not large enough to affect the overall picture.

NOTE: All figures to nearest million dollars or to nearest hundred thousand dollars.

Canadian Magazine Publishing by Method and Type

Publication	Method of Distribution	Frequency of Issue per Annum	Circulation per Canadian Advertising Nov.-Dec. 1960	Total Copies per Annum (To nearest million)
Weekend Magazine/Perspectives	Through weekend editions of 34 daily newspapers and one weekly magazine	52	1,882,298 (1)	98,000,000
La Presse	Through weekend editions of individual newspaper	52	265,453	13,803,556
Weekly Globe & Mail	Through weekend editions of individual newspaper	52	232,433	12,086,516
Star Weekly	News-stand, carriers, and some subscriptions	52	955,383	49,679,916
Le Petit Journal	News-stand, carriers, and some subscriptions	52	256,866	13,357,032
La Patrie	News-stand, carriers, and some subscriptions	52	197,719	10,281,388
				73,000,000
Chateleine — Canadian Home Journal — La Revue Moderne	Subscription and News-stand	12	873,607	10,483,284
Liberty	Subscription and News-stand	12	590,563	7,086,756
Macleans	Subscription and News-stand	26	515,577	13,405,002
Canadian Homes	Subscription and News-stand	12	133,393	1,600,716
La Revue Populaire	Subscription and News-stand	12	110,641	1,327,692
Le Samedi	Subscription and News-stand	26	80,480	2,092,480
Saturday Night	Subscription and News-stand	26	76,202	1,981,252
				38,000,000
All Other Canadian General Magazines	Subscription and News-stand	(Circulation per Canadian Advertising Nov.-Dec. 1960 of 58 publications, 52 others listed did not provide circulation figures)		
Farm Publications	Subscription and News-stand	(Circulation per Canadian Advertising Nov.-Dec. 1960 of 42 publications, 13 others listed did not provide circulation figures)		
Business Papers	Subscription and News-stand	(Circulation per Canadian Advertising Sept.-Oct. 1960 of 432 publications 34 others listed did not provide circulation figures)		
Total Copies per Annum of Canadian Magazines				379,000,000

(1) Weekend Magazine/Perspectives circulation effective Sept. 10, 1960.

Publication	Publishing Company	Method of Distribution	Frequency of Issue per annum	Circulation per Canadian Advertising Nov. - Dec. 1960	Total copies per Annum (to nearest million)
U.S. Magazines published in or out of Canada with some Canadian editorial content and selling only Canadian advertising.					
Reader's Digest and Selections du Reader's Digest	Reader's Digest Ass'n. (Canada) Ltd.	Subscription and News-stand	12	1,050,109	12,601,308
Time	Time, Inc.	" " "	52	223,073	11,599,796
					24,000,000
U.S. Magazines with some Canadian editorial content, U.S. advertising, and some Canadian advertising on a regional basis.					
Argosy	Popular Publications, Inc.	Subscription and News-stand	12	107,719	1,292,628
True	Fawcett Publications, Inc.	" " "	12	157,995	1,895,940
T.V. Guide	Triangle Publications, Inc.	" " "	52	330,464 (1)	20,304,123
					23,000,000
U.S. Magazines with no Canadian editorial content, U.S. advertising, and Canadian split run advertising.					
Life	Time, Inc.	Subscription and News-stand	52	281,810 (2)	14,654,120
Saturday Evening Post	Curtis Publishing Co.	" " "	52	230,664 (2)	11,994,528
Everywoman's Family Circle	The Family Circle, Inc.	News-stand Supermarkets	12	262,276	3,147,312
Woman's Day	Fawcett Publications, Inc.	" "	12	207,720	2,492,640
McCall's Needlework and Crafts	McCall Corp.	Subscription and News-stand	2	103,591 (3)	207,182
					32,000,000
U.S. Magazines with no Canadian editorial content and selling U.S. advertising only.					
Total per Appendix D - 1	Various	Subscription and News-stand	Various		81,000,000
U.S. Magazines distributed through Sunday Editions of U.S. Daily Newspapers					
Total per Appendix D - 2	Various	Sunday Editions of Daily Newspapers	52		4,000,000
U.S. Farm Magazines with no Canadian editorial content and selling U.S. advertising only.					
Total per Standard Rate & Data	Various	Subscription & News-stand	Various		1,000,000
U.S. Business Magazines with no Canadian editorial content and selling U.S. advertising only.					
Total per Standard Rate & Data	Various	Subscription	Various		13,000,000
					178,000,000
		Total copies per annum of American Magazines in Canada			

1) Audit Bureau of Circulations — six months ending June 30, 1960.

2) Audit Bureau of Circulations — six months ending December 31, 1959.

3) Standard Rate & Data — June 1960.

U.S. Magazines With No Canadian Editorial Content and Selling
U.S. Advertising Only
(A.B.C. audited only)

<u>Publications</u>	<u>Frequency of Issue Per Annum</u>	<u>Canadian Circulation Per Issue</u>	<u>Total Copies Per Annum</u>
Adventure News Group	6	44,329	265,974
America	52	906	47,112
American Artist	10	720	7,200
American Girl	12	7,066	84,792
American Home	12	76,367	916,404
American Legion Magazine	12	815	9,780
American Shetland Pony Journal	11	320	3,520
American Sunbather	12	71	852
Antiques	12	584	7,008
A O P A Pilot	12	413	4,956
Archie Comic Group	6	247,774	1,486,644
Army-Navy-Air Force Register & Defence Times	26	24	624
Athletic Journal	10	441	4,410
Atlantic Monthly	12	15,288	183,456
Audio	12	806	9,672
Barrons National Business & Financial Weekly	52	2,418	125,736
Better Homes & Gardens	12	117,784	1,413,408
The Billboard	52	1,422	73,944
Boats	12	2,590	31,080
Boys' Life	12	5,550	66,600
Bride & Home	4	5,565	22,260
The Brides' Magazine	4	10,352	41,408
Business Week	52	13,722	713,544
Capper's Weekly	52	46	2,392
Car Craft	12	8,102	97,224
Cavalier	12	48,073	576,876
Christian Herald	12	4,728	56,736
The Chronicle	52	272	14,144
Climax	12	22,566	270,792
Co-Ed	8	15,057	120,456
Columbia	12	117,872	1,414,464
Commerce Magazine	12	1	12
Confidential Confessions	12	12,235	146,820
Coronet	12	138,622	1,663,464
Cosmopolitan	12	53,369	640,428
Cue	52	44	2,288
Darling Romances	12	13,697	164,364
The Desert Magazine	12	71	852
Dog World	12	1,082	12,984
Dun's Review & Modern Industry	12	3,769	45,228
Ebony	12	1,136	13,632
Electronics Illustrated	12	9,551	114,612
Electronics World	12	14,227	170,724
The Elks Magazine	12	317	3,804
Escapade	6	22,520	135,120
Esquire	12	46,149	553,788
Extension	12	681	7,572
The Family Handyman	6	16,291	97,746
Fawcett Detective Unit	9	24,378	219,402
Field & Stream	12	33,722	404,664
The Financial World	52	180	9,360
Flower Grower	12	10,102	121,224
Flying	12	10,413	124,956

Appendix D-1 *continued*

<u>Publications</u>	<u>Frequency of Issue Per Annum</u>	<u>Canadian Circulation Per Issue</u>	<u>Total Copies Per Annum</u>
Forbes	24	992	23,808
For Men Only	12	30,770	369,240
Fortune	12	13,991	167,892
Front Page Detective	12	22,585	271,020
Glamour Incorporating Charm	12	47,094	565,128
Golf Digest	11	5,127	56,397
Golf Magazine	10	7,237	72,370
Good Housekeeping	12	182,725	2,192,700
Gourmet	12	2,429	29,148
Grade Teacher	10	5,375	53,750
Grit	52	222	11,544
Guns & Ammo	12	5,585	67,020
Guns & Hunting	6	7,320	43,920
Harper's Bazaar			
Incorporating Junior Bazaar	12	13,905	166,860
Harper's Magazine	12	3,405	40,860
Harvard Business Review	6	3,440	20,640
Harvey Comics Group	6	386,372	2,318,232
Hi Fi Stereo Review	12	8,051	96,612
High Fidelity	12	4,132	49,584
Hit Parader	12	21,486	257,832
Holiday	12	27,494	329,928
The Home Craftsman	6	4,321	25,926
Horticulture	12	4,302	51,624
Hot Rod Magazine	12	18,408	220,896
Hounds & Hunting	12	172	2,064
House & Garden	12	14,254	171,048
House Beautiful	12	11,383	136,596
The Improvement Era	12	4,766	57,192
Inside Detective	12	24,641	295,692
The Instructor	10	8,245	82,450
International Management Digest	12	1	12
Intimate Story	12	9,706	116,472
Investors Future with			
Investment World News	12	409	4,908
Jet	52	190	9,880
Junior Scholastic	30	5,051	151,530
The Kiwanis Magazine	12	15,212	182,544
Ladies' Home Journal	12	249,216	2,990,592
The Lion Magazine	11	26,315	289,465
Living for Young Homemakers	12	17,865	214,380
Look	26	190,806	4,960,956
Mademoiselle	12	23,823	285,876
Male	12	38,322	459,864
Man's Magazine	12	19,027	228,324
Marvel Comics Group	6	242,899	1,457,394
Master Detective	12	20,874	250,488
McCalls	12	254,617	3,055,404
McCalls Pattern Fashions	4	67,874	271,496
Mechanix Illustrated	12	79,389	952,668
Men	12	22,786	273,432
The Model Railroader	12	3,813	45,756
Model Trains	6	2,236	13,416
Modern Bride	6	16,104	96,624
Modern Photography	12	14,207	170,484
Modern Romances	12	65,216	782,592
Modern Screen	12	90,651	1,087,812
Motion Picture	12	75,434	905,208
Motor Boating	12	2,685	32,220
Motor Life	12	8,093	97,116
Motor Trend	12	15,178	182,136
Movieland & T.V. Time	12	14,106	169,272
Movie Life	12	15,936	191,232

Appendix D-1 *continued*

<u>Publications</u>	<u>Frequency of Issue Per Annum</u>	<u>Canadian Circulation Per Issue</u>	<u>Total Copies Per Annum</u>
Movie Mirror	12	14,450	173,400
Movie Stars - T.V. Close-Ups	12	12,348	148,176
Movie World	6	17,360	104,160
My Love Secret	6	15,086	90,516
My Romance Group	6	40,068	240,408
National Comics Group	8	513,732	4,109,856
The National Geographic Magazine	12	106,806	1,281,672
The National Horseman	12	46	552
The National Jewish Monthly	11	11,423	125,653
Nation's Business	12	416	4,992
Newsweek	52	53,319	2,772,588
The New Yorker	52	13,361	694,772
Official Detective Stories	12	10,103	121,236
Our Navy	12	5	60
Our Sunday Visitor	52	59,757	3,107,364
Outdoor Life	12	51,840	622,080
Parents Magazine & Better Homemaking	12	96,596	1,159,152
Personal Romances	12	17,336	208,032
Photoplay	12	97,621	1,171,452
Playboy	12	55,664	667,968
Popular Boating	12	7,139	85,668
Popular Dogs	12	507	6,084
Popular Electronics	12	18,725	224,700
Popular Gardening	12	11,442	137,304
Popular Mechanics	12	98,743	1,184,916
Popular Photography	12	24,608	295,296
Popular Science Monthly	12	59,621	715,452
Presbyterian Life	24	178	4,272
The Priest	12	619	7,428
Pure Bred Dogs American Kennel Gazette	12	119	1,428
Radio Electronics	12	12,607	151,284
Railroad Magazine	6	2,313	13,878
Railroad Model Craftsman	12	1,590	19,080
Reader's Digest (U.S. Edition)	12	1,184	14,208
Real Confessions	12	17,180	206,160
Real Romances	11	16,936	186,296
Real Story	11	16,398	180,378
Redbook Magazine	12	174,158	2,089,896
The Reporter	26	5,182	134,732
Revealing Romances	12	16,224	194,688
Revista Rotaria	12	10	120
Road & Track	12	10,009	120,108
The Rotarian	12	20,867	250,404
The Rudder	12	1,781	21,372
Saga	12	30,096	361,152
The Saturday Review	52	2,719	141,388
Science	52	1,191	61,932
Science & Mechanics	6	38,611	231,666
Science News Letter	52	540	28,080
Science World	16	4,625	74,000
Scientific American	12	9,883	118,596
Scouting	9	130	1,170
Screenland plus T.V. Land	6	20,558	123,348
Screen Stars	12	19,266	231,192
Screen Stories	12	29,342	352,104
Sea & Pacific Motor Boat	12	1,490	17,880
Secrets	12	26,753	321,036
Senior Scholastic Unit	30	7,661	229,830
Sepia	12	7	84
Seventeen	12	55,904	670,848
The Sign	12	11,595	139,140

Appendix D-1 *continued*

<u>Publications</u>	<u>Frequency of Issue Per Annum</u>	<u>Canadian Circulation Per Issue</u>	<u>Total Copies Per Annum</u>
Silver Screen	6	19,578	117,468
Simplicity Pattern Book	3	27,623	82,869
Ski Magazine	6	3,545	21,270
The Skipper	12	345	4,140
Song Hits	12	22,089	265,068
Sport	12	34,577	414,924
Sports Afield	12	34,823	411,876
Sports Cars Illustrated	12	10,470	125,640
Sports Illustrated	52	39,235	2,040,220
Stag	12	46,727	560,724
Sterling Detective Group	6	16,118	96,708
Sterling Man's Group	12	26,460	317,520
Sunset	12	1,286	15,432
Tan	12	253	3,036
Teen	12	22,116	265,392
Teen Digest	10	13,422	134,220
Town & Country	12	1,052	12,624
Trains	12	1,654	19,848
True Confessions	12	100,879	1,210,548
True Detective	12	37,702	452,424
True Experience	12	29,736	356,832
True Love	12	29,910	358,920
True Romance	12	46,348	556,176
True Story	12	219,000	2,628,000
T.V. & Movie Screen	12	8,171	98,052
T.V. Picture Life	12	3,152	37,824
T.V. Radio Mirror	12	15,222	182,664
T.V. Star Parade	12	6,066	72,792
Uncensored Confessions	6	18,046	108,276
U.S. Camera with Travel & Camera	12	11,959	143,508
U.S. News & World Report	52	10,309	536,068
V.F.W. Magazine	12	78	936
Vogue Incorporating Vanity Fair	24	29,178	700,272
Vogue Pattern Book	6	23,383	140,298
The Western Horseman	12	7,038	84,456
Westways	12	35	420
The Workbasket	12	8,981	107,772
Work Bench	6	274	1,644
Yachting	12	4,119	49,428
Young Catholic Messenger	30	34,767	1,043,010
		Copies per annum	<u>80,836,024</u>

Source: A.B.C. Publishers' statements for 6 months ending December 31st, 1959.

U.S. Magazines Distributed Through
Sunday Editions of U.S. Daily Newspapers

<u>Publications</u>	<u>Frequency of Issue Per Annum</u>	<u>Canadian Circulation Per Issue</u>	<u>Total Copies Per Annum</u>
New York Sunday News	52	34,361	1,786,772
New York Times	52	13,500	702,000
Chicago Sunday Tribune	52	770	40,040
Detroit News	52	8,148	423,696
Detroit Free Press	52	8,330	433,160
Buffalo Express	52	3,602	187,304
Buffalo News (Sunday)	52	1,383	71,916
Seattle Times Pictorial	52	185	9,620
Seattle Post Intelligence	52	1,520	79,040
			<u>3,733,548</u>

Source: A.B.C. — 6 months ending March 31, 1960.

NOTE: There are many other U.S. magazines distributed through Sunday editions of U.S. newspapers, but their circulation in Canada is not significant.

Apportionment of Total Revenue, Disbursements from Revenue and Appropriation Expenditure over classes of Mails and services based upon Cost Ascertainment Tests made in May and September 1958

	Volume Pieces	Revenue		Expenditure		Profit		Loss	
		Cents per Piece	Dollars	Cents per Piece	Dollars	Cents per Piece	Dollars	Cents per Piece	Dollars
First Class Ordinary—	1,943,798,566	5.185c	\$100,786,000.	3.858c	\$65,273,000.	1.827c	\$35,513,000.		
Air Mail—									
Domestic	844,443	80.982	684,000.	63.317	535,000.	17.665	149,000.		
Foreign	39,299,744	19.594	7,700,000.	21.039	8,268,000.			1.445c	\$568,000.
Parcel Post	403,484	153.117	613,000.	238.522	963,000.			85.405	345,000.
Second Class—	15,599,896	5.526	862,000.	14.865	2,319,000.			9.339	1,457,000.
Transient	531,148,886	1.165	6,185,000.	5.249	27,880,000.			4.084	21,692,000.
Publishers									
Third Class —	294,261,801	1.561	4,595,000.	1.548	4,555,000.	.013	38,000.		
Householder	823,694,834	2.177	17,932,000.	1.994	16,424,000.	.183	1,508,000.		
Addressed Circulars									
Fourth Class —	87,056,506	23.962	20,860,000.	24.825	21,612,000.			.863	752,000.
Domestic	15,520,190	20.543	3,188,000.	47.799	7,413,000.			27.256	4,230,000.
Registration	3,111,708	10.585	329,000.	24.445	761,000.			13.860	482,000.
Special Delivery									
Insurance —	377,953	9.535	36,000.	173.846	655,000.			163.811	619,000.
Paid Parcel									
Money Orders —	18,656,397	18.482	3,448,000.	21.000	3,918,000.			2.518	470,000.
Notched	35,089,653	11.240	3,944,000.	14.320	5,025,000.			3.080	1,081,000.
Denominative									
	3,808,864,061		\$171,168,000.		\$165,606,000.		\$37,208,000.		\$31,646,000.

These figures will not balance to total Post Office figures as they have been worked out from "cost ascertainment tests." In fact the Canada Post Office showed a deficit of \$173,142 for fiscal year 1958-59.

NOTE: The dollar figures have been calculated to the nearest thousand dollars.

Average Weight	Weekend Magazine	Perspectives
Average Rate	6.3 ozs.	3.8 ozs.
Average Editorial Content	53.1 pages	51.1 pages
Average Advertising Content	53.0%	51.0%
	47%	36%

Weekend Magazine/Perspectives — 1959

Analysis of Shipments to Distributing Publications by Mail and by Truck

By Second Class Mail

To:	Publishers	Copies per Annum	Average per Week	Rate per cwt.	Method of Shipment	Average Skids and/or Bags per Week	Cost per Annum	
Corner Brook, Nfld.	1	386,800	7,438	\$4.00	Bags	74	\$ 5,145.	
Medicine Hat, Alta.	1	372,400	7,162	4.00	Bags	73	4,950.	
Moose Jaw, Sask.	1	444,750	8,553	4.00	Bags	87	5,880	
Prince Albert, Sask.	1	366,600	7,050	4.00	Bags	29	4,870.	
St. John's, Nfld.	1	1,434,300	27,583	4.00	Bags	286	19,000.	
Vancouver, B.C.	1	12,944,000	248,923	4.00	Skids	39	179,535.	
Victoria, B.C.	1	1,402,200	26,965	4.00	Bags	221	19,660.	
Total by Mail	7	17,351,050	483,674	19. %			\$ 239,040.	44. %
Total by Truck	27	72,423,900	1,392,767	81. %	Skids	191	\$ 303,240.	56. %
Total by Mail and by Truck	34	89,774,950	1,726,441	100. %	Parcels	3,735	\$ 542,280.	100. %

Weekend Magazine — Shipments by Mail

Post Office Cost per Week of Railway Cars as Compared to Payments by Weekend Magazine to the Post Office

No. of 40 ft. Baggage Cars	Estimated Cost Per Week
1 Montreal to St. John's, Nfld. (Drop-off at Corner Brook.) 1,563 miles @ 54¢ per mile. (Maximum size of Weekend Magazine — 80 pages — can be handled by one car.)	\$ 844.
2 Montreal to Vancouver 2,882 miles @ 54¢ per mile per car. (Two cars can handle issue sizes up to 64 pages for Vancouver and Victoria. Issue sizes of 72 and 80 pages require three cars.)	3,112.
Sub-Total	\$ 3,956.
Margin to cover: shipment from Vancouver to Victoria; and shipments from Montreal to Moose Jaw, Prince Albert, and Medicine Hat, these shipments are bagged and delivered to a Montreal siding or station for the Post Office.	
Actual payment by Weekend Magazine for the 48-page issue dated October 22nd, 1960, to the Post Office.	\$ 4,495.
Theoretical figures per annum for 48-page issue (52 x \$4,495.)	\$ 233,740.

NOTE: Average size of Weekend Magazine in 1960 will be 48.5 pages.

(Ballantyne)

COMMISSIONER JOHNSTON: Mr. Ballantyne, I wonder if you would expand further on this remark you make in paragraph 15, on page 4:

"The tide flows but not does not ebb.

The overflow from Canada to the United States is insignificant. Moreover the United States government protects American publications although the threat to them is nothing compared to the assault on Canadian periodicals."

I thought the newspapers were free both ways. They are not?

MR. BALLANTYNE: We are talking, more particularly, about our own case, with Weekend Magazine going in the U.S., to be distributed in the same way as it is in Canada, without paying five or ten per cent duty.

COMMISSIONER JOHNSTON: You have investigated this?

MR. BALLANTYNE: Yes. We have investigated this and this is a matter of record and we can provide a photostat from the United States Tariff Regulations which shows this to be so.

COMMISSIONER JOHNSTON: I wonder if you would send it to the secretary?

MR. BALLANTYNE: Yes. We would be glad to, sir. I would not like to speak on other references, to other publications. In our own case, we have

found this to be true.

COMMISSIONER JOHNSTON: Has this always been true, so far as you know?

MR. BALLANTYNE: In so far as I know, it has been true. I do not know how far back that would go.

MR. FARRELL: It has been true since at least 1952, because there has been quite an inquiry. I checked on it in 1952 and I found at that time that this was true. So, it goes back to 1952, 1951, or 1953. I know it was in that era.

THE CHAIRMAN: If the Ottawa Journal, for example, contracted to use Parade or This Week, and we got it, would we have to pay duty?

MR. FARRELL: No, sir. It comes in duty free.

THE CHAIRMAN: What is the difference then? Weekend would pay duty if it entered the United States and if we got This Week, it would not pay?

MR. FARRELL: Exactly.

COMMISSIONER JOHNSTON: Has there been a change in the last few weeks with regard to these Canadian sections of magazines, such as Argosy and True? I think they were the two that were mentioned.

MR. FARRELL: I believe that True announced that they were not going to publish their January edition, but they left the future open.

COMMISSIONER JOHNSTON: It was suggested

(Ballantyne)

that it was due to the change in the regulations in Ontario, regarding liquor advertising. Is that true?

MR. FARRELL: It could be that, sir; but, also, January is a very low month in advertising volume. It may not have been economic.

COMMISSIONER JOHNSTON: Weekend is not contemplating skipping a few editions?

MR. FARRELL: No, sir.

COMMISSIONER JOHNSTON: "Sales tax: Canada has seen fit to grant an exemption of the federal sales tax of eleven per cent to the Canadian publishing industry, presumably because this was felt to be in the public interest, yet the subsidy is negated in part by granting this same exemption to American and other foreign publications." What American publications are exempted from this -- Reader's Digest?

MR. FARRELL: Yes, sir.

COMMISSIONER JOHNSTON: But, not Time?

MR. FARRELL: No, sir, because Time prints outside the country.

COMMISSIONER JOHNSTON: You would not call Time a Canadian magazine?

MR. FARRELL: No, sir.

COMMISSIONER JOHNSTON: The other day, in Vancouver, I tried a definition of a Canadian publication. I would like to try it on you. A Canadian publication is one that is produced in

(Ballantyne)

Canada, is managed and edited by residents of Canada, primarily for Canadian readers. Do you think that would cover the case?

MR. BALLANTYNE: I would like to add one point to that. I think that is true, but I think there has been some confusion over what Canadian magazines are, based on content of the magazine. I think it is a Canadian magazine if it is owned, printed and edited in Canada for Canadians. I do not think it is so important whether the material itself is Canadian or not.

I would like to give an example of that. To my way of thinking, if a magazine was published in Canada, Canadian ownership, Canadian editors, it might, conceivably, if it was on international affairs or travel, contain material which was not directly related geographically to Canada, but would be of interest to Canadians; and the fact is that if the material was being published originally in that magazine and not picked up from another foreign publication, this would be a true Canadian publication.

THE CHAIRMAN: It might be astrology or anything else?

MR. BALLANTYNE: Yes. It might be astrology, or medicine or anything. But, if that material was being published originally in that magazine, and the magazine was owned and edited

(Ballantyne)

in Canada, for Canadians, it would be a true Canadian magazine. I do not think you can do it on a geographic basis of the articles published.

COMMISSIONER JOHNSTON: Does not my definition cover that point? It is edited by residents of Canada, primarily for Canadian readers.

MR. BALLANTYNE: Some magazines can be edited in Canada which use material which has been printed or is being printed simultaneously in other countries. To my mind, this is making a great difference.

COMMISSIONER JOHNSTON: You are thinking of Reader's Digest?

MR. BALLANTYNE: Yes. Reader's Digest is one example.

COMMISSIONER JOHNSTON: This says: "edited by residents of Canada". Can you say that Reader's Digest is edited by residents of Canada?

MR. BALLANTYNE: They maintain an editorial staff, I believe. I assume that is what they do.

COMMISSIONER JOHNSTON: I do not know what they do.

"On the other hand This Week, a magazine in the United States, similar to Weekend Magazine, with a circulation of over 13 million and distributed through 42 newspapers, could enter Canada duty free..." You say "could". Has it ever tried to?

MR. BALLANTYNE: I do not believe it has tried directly. I know that there have been inquiries

(Ballantyne)

from time to time, both to This Week and to the magazine which the Chairman mentioned -- Parade. I do not know what others have been investigated by Canadians. From both sides, it has been investigated. There has been no direct effort, so far, to enter any contract with anyone. But, it has been considered and, under present conditions, I can see a good chance of such a thing occurring. But, they say and, quite frankly, that if they have the opportunity to have a profitable enterprise on this basis -- that is, carrying Canadian advertising with a Canadian edition, and we are able to secure enough subscribers, or distributors, or whatever you would call them, that they would very well enter this field, and I think it would be another blow to the Canadian magazine publishing industry, and quite a substantial one, because it reverts right back to the business of having immense resources to draw on. This Week, with 13 million circulation, has big resources.

COMMISSIONER JOHNSTON: It comes down to the fact that the competition is in the editorial content?

MR. BALLANTYNE: Primarily, I would say that is true. Referring to the argument that we used, a sort of basic definition of publishing -- when you have high priced editorial content, and they can drive your editorial content up and use that to give better circulation, and from that

1911

Dear Sir,
I have the honor to acknowledge the receipt of your letter of the 10th inst. in relation to the matter of the
and in reply to inform you that the same has been forwarded to the proper authorities for their consideration.
I am, Sir, very respectfully,
Your obedient servant,
J. H. [Name]

I am, Sir, very respectfully,
Your obedient servant,
J. H. [Name]

I am, Sir, very respectfully,
Your obedient servant,
J. H. [Name]

(Ballantyne)

circulation better advertising, and as these things increased, your chances of building them up still further go on; and the Canadian publication then finds itself in a decreasing spiral because of the pressure. The resources of the company allow them to use extra sales promotion, and so on -- more subscription selling -- and they tend then to increase that extent. As they extend and increase, the Canadian periodicals tend to decrease and find it that much harder to survive.

THE CHAIRMAN: Mr. Ballantyne, what are the circulation costs of Weekend Magazine; how do you compute them?

MR. BALLANTYNE: I think Mr. Farrell can answer that better than I can, sir, on the editorial staff.

MR. FARRELL: We have no circulation costs, other than that of transporting Weekend to each of our subscribing newspapers, and, I might add, sir, that that cost is exactly the same for St. John's Newfoundland as for Vancouver, or Montreal here. After our publication is in the hands of the newspaper, we have no circulation costs at all.

THE CHAIRMAN: You do have a contract, though, under which your Weekend is circulated?

MR. FARRELL: Yes, sir.

THE CHAIRMAN: Could we see a copy of that contract?

(Ballantyne)

MR. FARRELL: I have one here for you, sir.
I would be happy to put it in.

THE CHAIRMAN: In effect, what you do is you pay, let us say, the Toronto Telegram a percentage, or a proportion of the advertising revenue carried in Weekend, to circulate Weekend for you?

MR. FARRELL: Exactly, sir.

THE CHAIRMAN: You say you have a contract?

MR. FARRELL: Yes. I have the contract here.

THE CHAIRMAN: This was your technique for solving circulation costs?

MR. FARRELL: Exactly, sir.

COMMISSIONER JOHNSTON: How do you carry it?
Does it go by rail, or how?

MR. FARRELL: That is shown on Appendix F. I think we use the post office for seven places in Canada and the other twenty-seven or twenty-eight are all trucked.

THE CHAIRMAN: This is a monopoly you give in a certain area; you don't give it to anyone who asks for it?

MR. FARRELL: Yes.

THE CHAIRMAN: And you are not, in effect, giving away your first one?

MR. FARRELL: Exactly. It is a franchise area.

THE CHAIRMAN: That is a franchise area?

MR. FARRELL: Yes, sir.

1. Introduction

The purpose of this study is to investigate the effects of

the proposed system on the performance of

the system in terms of accuracy and speed.

The study is organized as follows. Section 2 describes the

background and related work in the area of

the proposed system. Section 3 presents the

experimental setup and the results of the

experiments. Section 4 discusses the

conclusions and future work.

The paper is organized as follows. Section 2

describes the background and related work.

Section 3 presents the experimental setup

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and related work.

Section 3 presents the experimental setup

and the results of the experiments.

Section 4 discusses the conclusions

and future work.

(Ballantyne)

THE CHAIRMAN: Thank you very much, gentlemen, for a very fine presentation. We have no further questions.

MR. QUINN: That contract, Mr. Chairman, will be entered into the record as Exhibit M-6.

EXHIBIT NO. M-6: Contract between Weekend Magazine and Montreal Standard Publishing Co. (Limited).

EXHIBIT NO. M-7: Contract of Perspectives.

SUBMISSION OF CANADIAN LIBRARY ASSOCIATION

MR. BROWN: I am J.E. Brown, representing the Canadian Library Association. I am Chairman of a committee which was designated to prepare the brief which you have before you.

Mr. Chairman, it is a pleasure to have this opportunity of presenting the views of the Canadian Library Association. The presentation we have here, I think, is a far cry from the other briefs I have heard today, but I feel that the points are certainly pertinent to the problem under consideration.

THE CHAIRMAN: We like variety, sir.

MR. BROWN: The first part of the brief is a very brief introduction of what the Canadian Library Association is.

The Canadian Library Association - Association Canadienne des Bibliothèques - is the only national organization supporting libraries and librarians across Canada. It has a personal and institutional membership of 2100, which includes not only librarians, libraries and their board members, but also those interested in the welfare of library service in Canada.

The aims of the Canadian Library Association - Association Canadienne des Bibliothèques - as set forth in its constitution are:

(a) To promote education, science and

culture within the nation through library service;

(b) To promote high standards of librarianship and the welfare of librarians;

(c) To co-operate with library associations both within and outside of Canada and with organizations in the promotion of education, science and culture.

Canadian libraries, one of the largest groups to subscribe to and use periodicals, are vitally concerned with any measures which will promote the development of a genuinely Canadian periodical press, and lead to the wider use of these publications.

PART A

Systematic Indexing of Canadian Periodicals.

Libraries have long recognized that periodicals play a highly important role in the cultural, political, economic and social life of a country. They fully agree with the Committee of the Privy Council, which has stated that, "Canadian magazines and periodicals add to the richness and variety of Canadian life and are essential to the culture and unity of Canada."

-

-

Periodicals provide a lasting record of the cultural growth and development of a country - a record which, in many cases, can be found in no other printed sources. Canadian libraries, public, university, college, school, governmental and special, are well aware of the current and historical value of periodicals and among them maintain as complete files as possible of all Canadian periodicals. These files are made freely available to students, scholars and other seekers of information on Canadian affairs.

Extensive files of periodicals can be of little use unless their contents are recorded in some systematic manner. At present two Canadian organizations are providing such a **record**, but with the limited financial resources at their disposal, they are able to index only a fraction of the more than 800 periodicals published in Canada.

The Canadian Library Association - Association Canadienne des Bibliothèques, through its Canadian Index to Periodicals and Documentary Films, indexes at regular intervals the contents of 70 Canadian periodicals. Another 36 titles are indexed by the Toronto Public Library's Canadian Business and Technical Index. Titles of the periodicals covered by these two indexing services are listed in Appendices A and B.

Libraries and information services in

the United States have long recognized the value of Canadian periodical literature and have assumed the task of indexing approximately 82 Canadian periodicals not covered by the Canadian indexes mentioned above. Most of these are in the fields of science and technology. Periodicals indexed by U.S. services are listed in Appendix C.

Thus our two Canadian indexes cover 106 periodicals, while the U.S. services cover another 82, making a total of 188. These services provide the key for anyone seeking to unlock the information contained in the periodical literature, for they list under one cover all of the articles pertaining to a particular topic, which have appeared in the indexed journals during a given period. Sample pages of the Canadian indexes referred to above are appended.

Not all of the 800 Canadian periodicals are of sufficient value to merit indexing, but based on questions placed by library users, Canadian librarians recommended that at least another 300 titles should be indexed. Appendix D lists a selection of Canadian periodical titles not now indexed but which should be so recorded.

The compilation and publishing of periodical indexes is a costly process, and income from the sale of these indexes is insufficient to make the Canadian undertaking self-supporting. Financial assistance has been provided by the Canada Council

and the National Library, but if additional titles are to be indexed, other sources of revenue must be made available.

A comprehensive and overall indexing of Canadian periodicals will have the following effects:

- (1) It will provide students, scholars and the layman, both in Canada and other parts of the world, with ready access to the information contained in Canadian periodical literature;
- (2) It will create a wider use and knowledge of Canadian periodicals on a world-wide basis;
- (3) It will lead to a larger market both at home and abroad for Canadian periodicals.

(Since indexes facilitate the use of periodicals, libraries tend to subscribe to those covered by indexing services.)

Our recommendations are as follows:

The Canadian Library Association -

Association Canadienne des Bibliotheques requests that the Royal Commission on Publications pay particular attention to the recovery of information from Canadian periodicals, by stressing the need for an overall indexing system for periodicals.

PART B

The Availability of Foreign Periodicals in Canadian Libraries.

The first of these is the fact that the

second of these is the fact that the

third of these is the fact that the

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fifth of these is the fact that the

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twenty-third of these is the fact that the

twenty-fourth of these is the fact that the

twenty-fifth of these is the fact that the

twenty-sixth of these is the fact that the

twenty-seventh of these is the fact that the

twenty-eighth of these is the fact that the

Periodicals constitute one of the most important and effective means of disseminating ideas and information, and their availability to individuals and libraries is essential to the free flow of information in a free world. Libraries, in their role as storehouses and disseminators of information and knowledge, thus endeavour to subscribe to the major periodicals of the world.

In many Canadian libraries, files of scholarly, technical, and general cultural journals comprise a major portion of their resources. The University of Toronto library, for example, receives approximately 9500 periodicals; McGill University library 5100; and the University of British Columbia library 5000. Approximately 85 per cent of the total collection of the National Research Council library (The National Science Library of Canada) is comprised of files of more than 8500 periodicals received from all parts of the world.

Clearly it would be a national disaster if, for any reason, the periodicals of the world, particularly those of a cultural, scholarly, and technical nature, were not readily available to the peoples of Canada.

Our Second Recommendation:

The Canadian Library Association -
Association Canadienne des Bibliothèques urges that the Royal Commission on Publications recommend

that no action be taken which would interfere with the continued flow into Canada of cultural, scholarly, and technical journals from all countries of the world.

Respectfully submitted.

APPENDIX A

Canadian Periodicals indexed by the
Canadian Index to Periodicals and Documentary
Films.

L'Actualite Economique

Aircraft

Alberta Historical Review

Architecture-Batiment-Construction

Arctic

Atlantic Advocate

Beaver

British Columbia Historical Quarterly

British Columbia Library Quarterly

Business Quarterly

Canadian Art

Canadian Audobon

Canadian Author and Bookman

Canadian Aviation

Canadian Banker

Canadian Business

Canadian Chartered Accountant

Canadian Commentator

Canadian Education

Canadian Forum

Canadian Geographical Journal

Canadian Historical Review

Canadian Journal of Economics and Political Science

Canadian Labour

1991 年 12 月 10 日

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Canadian Library
Canadian Literature
Canadian Music Journal
Canadian Plastics
Canadian Poetry Magazine
Canadian Public Administration
Canadian Tax Journal
Canadian Welfare
Culture
Dalhousie Review
Delta
Economic Annalist
External Affairs
Fiddlehead
Financial Post
Food for Thought
Foreign Trade
Geographical Bulletin
Habitat
Home Building in Canada
Industrial Canada
International Journal
Labour Gazette
Maclean's Magazine
Monetary Times
Newfoundland Quarterly
Ontario History
Ontario Library Review

Queen's Quarterly

Revue de l'Universite d'Ottawa

Revue de l'University Laval

Revue d'Histoire de L'Amerique Francaise

Relations

Relations Industrielles

Rod and Gun

Royal Architectural Institute of Canada, Journal

Royal Society of Canada, Transactions

Saskatchewan History

Saturday Night

Tamarack Review

Timber of Canada

University of Toronto Quarterly

Vie des Arts

Waterloo Review

Western Business and Industry

World Affairs

APPENDIX B

Canadian Periodicals indexed by the
Canadian Business and Technical Index

Bank of Montreal Business Review
Bank of Nova Scotia Monthly Review
C-I-L Oval
Canada Lumberman
Canadian Bank of Commerce Commercial Letter
Canadian Builder
Canadian Machinery and Manufacturing News
Canadian Mining Journal
Canadian Municipal Utilities
Canadian Office
Canadian Oil and Gas Industries
Canadian Personnel and Industrial Relations Journal
Canadian Power Engineer
Canadian Printer and Publisher
Canadian Purchaser
Canadian Shipping and Marine Engineering News
Canadian Surveyor
Canadian Textile Journal
Canadian Transportation
Chemistry in Canada
Cost and Management
Electrical Digest
Electrical News and Engineering
Electronics and Communications
Engineering and Contract Record

THE JOURNAL OF THE
ROYAL ANTHROPOLOGICAL INSTITUTE

VOL. 10

PART I

1910

THE JOURNAL OF THE

ROYAL ANTHROPOLOGICAL INSTITUTE

VOL. 10

PART I

1910

THE JOURNAL OF THE

ROYAL ANTHROPOLOGICAL INSTITUTE

VOL. 10

PART I

1910

THE JOURNAL OF THE

ROYAL ANTHROPOLOGICAL INSTITUTE

VOL. 10

PART I

1910

THE JOURNAL OF THE

ROYAL ANTHROPOLOGICAL INSTITUTE

VOL. 10

Food in Canada

Imperial Oil Review

Imperial Oilways

Marketing

Modern Power and Engineering

Municipal World

Office Equipment and Methods

Oil in Canada

Plant Administration

Pulp and Paper Magazine of Canada

Trade and Commerce

APPENDIX C

Canadian Periodicals Indexed by
U.S. Indexing Services

Agricultural Institute Review
Arctic
Board of Trade Journal
Business Quarterly
Canadian Advertising
Canadian Aeronautical Journal
Canadian Army Journal
Canadian Art
Canadian Automotive Trade
Canadian Banker
Canadian Bee Journal
Canadian Ceramic Society. Journal
Canadian Chemical Processing
Canadian Dairy and Ice Cream Journal
Canadian Dietetic Association. Journal
Canadian Electronics Engineering
Canadian Forum
Canadian Geographical Journal
Canadian Grain Journal
Canadian Hospital
Canadian Institute of Mining and Metallurgy. Transactions.
Canadian Journal of Biochemistry and Physiology
Canadian Journal of Chemical Engineering
Canadian Journal of Economics and Political Science
Canadian Journal of Mathematics

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT
530 SOUTH EAST ASIAN AVENUE

CHICAGO, ILLINOIS 60607

Dear Mr. [Name]

I am very pleased to hear

from you and to learn that

you are still working on

the project which we discussed

last year. I am sure that

you will find it very

interesting and useful.

I am sure that you will

find it very interesting and

useful. I am sure that you

will find it very interesting

and useful. I am sure that

you will find it very

interesting and useful.

I am sure that you will

find it very interesting

and useful. I am sure that

you will find it very

interesting and useful.

I am sure that you will

find it very interesting

and useful. I am sure that

Canadian Journal of Medical Technology
Canadian Journal of Occupational Therapy
Canadian Journal of Physics
Canadian Journal of Psychology
Canadian Journal of Public Health
Canadian Labour
Canadian Machinery
Canadian Metalworking
Canadian Milling and Feed
Canadian Mining and Metallurgical Bulletin
Canadian Mining Journal
Canadian Oil and Gas Industries
Canadian Paint and Varnish Magazine
Canadian Pharmaceutical Journal
Canadian Plastics
Canadian Psychiatric Association. Journal
Canadian Public Administration
Canadian Pulp and Paper Industry
Canadian Statistical Review
Canadian Tax Journal
Canadian Textile Journal
Canadian Welfare
Civic Administration
Commercial Letter (Canadian Bank of Commerce)
Community Planning Review
Dalhousie Review
Design Engineering
Electrical News and Engineering

Engineering and Contracting Record
Engineering Journal
External Affairs
Food for Thought
Food in Canada
Foreign Trade
Imperial Oil Review
Industrial Canada
International Journal
Labour Gazette
Labour Research
Laval Medical
McGill Medical Journal
Monetary Times
Municipal Utilities Magazine
Nova Scotia Medical Bulletin
Ontario Hydro News
Ontario Medical Review
Oral Health
Pulp and Paper Magazine of Canada
Queen's Quarterly
Revue Canadienne de Biologie
Royal Architectural Institute of Canada. Journal
Royal Society of Canada. Transactions
University of Toronto Quarterly
University of Western Ontario Medical Journal
Vancouver Medical Association. Bulletin
Western Business and Industry
Western Fisheries.

APPENDIX D

Canadian periodicals not now indexed
but which merit coverage by a
systematic indexing service

Abeille et l'Erable

Academy of Medicine. Bulletin

Action Medicale

Action Nationale

Agricultural Institute Review

Agriculture

Alberta Association of Petroleum Geologists. Journal

Alberta Journal of Educational Research

Arctic Circular

Arts et Pensee

Atlantic Guardian

Automatic Heating, Plumbing, Air Conditioning

Bakers' Journal

Batiment

Behind the Headlines

Board of Trade Journal

Boating for Pleasure and Profit

British Columbia Lumbermen

Building Materials News

Bulletin de l'Association Canadienne de Bibliothecaires
de Langue Francaise

Bulletin des Agriculteurs

Bus and Truck Transport

CBC Times

Canada. Dept. of External Affairs. Bulletin

Canada's Health and Welfare

Canadian Advertising
Canadian Aeronautical Journal
Canadian Air Review
Canadian Architect
Canadian Army Journal
Canadian Astronautical Society. Proceedings
Canadian Automotive Trade
Canadian Baker
Canadian Bar Review
Canadian Beverage Review
Canadian Cattlemen
Canadian Ceramic Society. Journal
Canadian Chemical Processing
Canadian Clothing Journal
Canadian Consulting Engineer
Canadian Dairy and Ice Cream Journal
Canadian Doctor
Canadian Electronics Engineering
Canadian Electronics Workshop
Canadian Entomologist
Canadian Farm Implements
Canadian Field-Naturalist
Canadian Fisherman
Canadian Flight
Canadian Florist
Canadian Food Industries
Canadian Fruitgrower
Canadian Gas Journal

Canadian Geographer
Canadian Grain Journal
Canadian Grocer
Canadian Hobbycraft
Canadian Home Economics Journal
Canadian Hospital
Canadian Hotel Review and Restaurant
Canadian Homes and Gardens
Canadian Industrial Equipment News
Canadian Industrial Photography
Canadian Journal of Accountancy
Canadian Journal of Animal Science
Canadian Journal of Biochemistry and Physiology
Canadian Journal of Botany
Canadian Journal of Chemical Engineering
Canadian Journal of Chemistry
Canadian Journal of Genetics and Cytology
Canadian Journal of Mathematics
Canadian Journal of Medical Technology
Canadian Journal of Microbiology
Canadian Journal of Occupational Therapy
Canadian Journal of Optometry
Canadian Journal of Physics
Canadian Journal of Plant Science
Canadian Journal of Psychology
Canadian Journal of Public Health
Canadian Journal of Research
Canadian Journal of Soil Science

Canadian Journal of Surgery
Canadian Journal of Theology
Canadian Journal of Zoology
Canadian Linguistics Association Journal
Canadian Mathematical Bulletin
Canadian Medical Association. Journal
Canadian Metalworking
Canadian Milling and Feed
Canadian Mineralogist
Canadian Mining and Metallurgical Bulletin
Canadian Missiles and Rockets
Canadian Modern Language Review
Canadian Motorist
Canadian Nurse
Canadian Packaging
Canadian Paint and Varnish Magazine
Canadian Pharmaceutical Journal
Canadian Photographer
Canadian Poultry Review
Canadian Psychologist
Canadian Pulp & Paper Industry
Canadian Realtor
Canadian Refrigeration and Air Conditioning
Canadian Research Institute of Launderers. Technical
Bulletin
Canadian School Journal
Canadian Statistical Review
Canadian Teacher
Canadian Telephone Journal

Canadian Tuberculosis Association. Bulletin
Canadian Underwriter
Canadian Veterinary Journal
Canadian Welder
Canadian Woodworker
Cancer Bulletin
Carnets Viatoriens
Chatelaine
Cite Libre
Citizen's Forum
Civic Administration
Commerce Journal
Commercceman
Community Courier
Construction in Western Canada
Construction World
Country Guide
Country Life
Current Affairs for the Canadian Forces
Daily Commercial News
Design Engineering
Diesel Power and Design Engineering Equipment
Drug Merchandising
Electrical Contracting and Maintenance in Canada
Electro-mechanisms
Engineering Digest
Engineering Journal
Enseignement Secondaire Au Canada

Ensign

Executive

Family Herald & Weekly Star

Farmers Advocate and Canadian Countryman

La Ferme

Fire Fighting in Canada

Fish and Game

Fisheries Research Board. Journal

Forestry Chronicle

Foret Conservation

Fur Trade Journal of Canada

Genie-Construction

Geographie Canadien

Geological Association of Canada. Proceedings

Good Farming Quarterly

Harbour and Shipping

Hardware and Housewares

Health

Health and Industrial Safety

Heating and Plumbing Engineer

Heavy Construction News

Historical and Scientific Society of Manitoba. Papers

Home Goods Retailing

Hunting and Fishing in Canada

ICAO Bulletin

Inco Copper News

Industrial Health

Industrial Report

Industry
Information Medicale
Ingenieur
Labour Research
Laundry and Dry Cleaning Journal
Laval Medical
Leather Life
Leather World
Liberty
Life Underwriters News
Logger and Lumberman
McGill Dental Review
McGill Medical Journal
Machine et Outillage de Ferme
Machine Production
Le Maitre Electricien
Maritimes Library Association Bulletin
Materials Handling in Canada
Mayfair
Medical Services Journal
Men's Wear of Canada
Modern Medicine of Canada
Montrealer
Motor Carrier
Motor in Canada
Motor Truck and Coach
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the New York Association of Police

and the New York City Police

Department of the City of New York

Department of the City of New York

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National Concrete Products News
National Plumbing and Heating Contractor
Naturaliste Canadien
New Trade Builder
Northern Miner
Northwest Digest
Nova Scotia Historical Society. Papers
Nova Scotia Medical Bulletin
Nova Scotien Institute of Science. Proceedings
Occupational Health Bulletin
Office Administration
Office Equipment News
Oil/Gas World
Oil and Gas Heat
Oilweek
Ontario Hydro News
Ontario Medical Review
Oral Health
Packaging Progress
Petro Process Engineering
Pharmacien
Physics in Canada
Plant Management
Prairie Lumberman
Prairie Transport
Precambrian
Printing Review of Canada
Product Design

Progressive Plastics
Public Works in Canada
Quebec Laitier
Quill and Quire
Reinforced Concrete
Research for Farmers
Revue Canadienne de Geographic
La Review Dominicaine
Revue de Pharmacie
Roads and Engineering Construction
Royal Astronomical Society of Canada. Journal
Saskatchewan Mining News
School Progress
Shell Aviation News
Shoe and Leather Journal
Social Worker
Sylva
Tax Bulletin
Technique
Time (Canadian Edition)
Transport Commercial
Union Medicale du Canada
University of Toronto Medical Journal
University of Western Ontario. Medical Journal
Vancouver Medical Association. Bulletin
Weekend Magazine
Western Canada Coal Review
Western Druggist

Western Fisheries

Western Homes and Living

Western Manufacturing

Western Miner

Western Municipal News

Western Oil Examiner

Western Producer

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FORD motor company of Canada limited (cont.)

More holders, and friends, if Ford divides its stock.
P.S. Deacon. Fin Post 53:5 O 10 '59
We have reached limit Ford tells auto union. tab
graphs Fin Post 52:36 D 6 '58

FORDE, J.S.

Portrait
Fin Post 53:65 My 30 '59

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Previewing the 1960s. MacI Mag 72:1-6 N 7 '59

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New tools for security analysis. G. Cretzianu. Bus
Q 24:13-16 spring '59

FOREIGN advertising. See Advertising, Foreign

FOREIGN automobiles. See Automobiles, Foreign

FOREIGN branch factories. See Branch factories, Foreign

FOREIGN exchange

Brazil. V.L. Chapin. il Foreign Tr 110:7-10 D 6 '58
Foreign exchange rates. See bi-weekly issues of
Foreign Tr

Foreign trade: new swing to U.S. D. Grenier.
port(p3) graphs Sat N 74:9,39-40 Ja 17 '59

Hopes for free trade area get their real test soon.
Fin Post 53:20 Ja 10 '59

How Europe's money moves can help trade in future.
M. Barkway. Fin Post 53:1,8 Ja 3 '59

Peru. D.H. Cheney. il Foreign Tr 110:16-19 D 6
'58

Plain facts on question on Europe's money moves.
M. Barkway. Fin Post 53:3 Ja 3 '59

U.K. stocks may now get more attention in Canada.
Fin Post 53:3 Ja 3 '59

FOREIGN investments. See Investments, Foreign

FOREIGN loans. See Loans, Foreign

FOREIGN relations. See International relations; also names of countries with subdivision Foreign relations e.g. Canada - Foreign relations

FOREIGN students in England

Letter from London. D. Livesay. Can Forum 38:
268-9 Mr '59

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FOREIGN trade service. See Canada - Trade commissioner service

FOREMEN

Foremen and their role. Fin Post 53:45,47 My 2 '59
General foreman (Fr - Le contremaître) (Nature of
work: World in action series); film
30min 16mm-sd-b&w NFB 1958
[Foreman is subject to pressures from above
and below]

FOREST, Charles

Charles Forest curé fondateur; film
30min 16mm-sd-b&w NFB 1959
[Priest improves living conditions in a poor
Nova Scotia parish]

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Conservation: 'It's attitude of mind'. F.A. Harrison.
Fin Post 53:58 S 19 '59

Fish, game and forests. V.E. Johnson. port For &
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Newfoundland report: too many moose. E.B. Ralph.
il For and Outdoors 55:10-11 Ag '59

FOREST fire patrol, Aerial

Aircraft in fire control. H.W. Weatherby. il
Timber Can 20:21-4,27 Mr '59

Ontario's airborne fire brigade. il tab Timber Can
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Operation cloud burst. J.E. Grimshaw. il For &
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Saskatchewan's smoke jumpers helped save forests
from destruction. il West Bus 33:44-5 O '59

Will fight B.C. forest fires with water tanks from
Mars. Fin Post 53:1 Ag 29 '59

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Calibrating hazard sticks. H.W. Weatherby. il
Timber Can 20:50-2 Mr '59

Captive balloons may mark Manitoba forest fire
sites. Fin Post 53:36 My 9 '59

Conservation means wise use. F.A. Harrison. port
For and Outdoors 55:5 My '59

"Fire boss". J.C. Dillon. For and Outdoors 55:
12,29 My '59

Forest fire fighters plan co-operation in research.
Fin Post 53:31 S 12 '59

Lookout airlift. H.W. Weatherby. il Timber Can
20:86,88-90 O '59

Some plain talk—from a man who knows. R.G.
McKee. port Timber Can 20:54-5 Mr '59

Trends in forest fire control in Ontario 1959. il
tab Timber Can 20:22-6,28 Ap '59

FOREST fires

Battle of "The straw". D. Leslie. il For and Out-
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Forest fires and you... F.A. Harrison. il port
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Hoping luck will hold. Fin Post 53:67-8 S 19 '59

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We were trapped by a forest fire. E. Collier. il
MacI Mag 72:28-9,55-8 S 26 '59

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Are our forest policies all wrong? A. Graeme. il
Can Bus 32:58-60,62 F '59

This is Harrington! D. Leslie. il For and Outdoors
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Rehabilitating unproductive forest land. il map tab
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Tobacco and trees. C.L. Kimball. il For and Out-
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Tree farm tips. J.L. Van Camp. port See monthly
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FOREST management

Trees for tomorrow. il For and Outdoors 55:14-
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FOREST products

West German market for forest products. G.F.
Mintenko. tab Foreign Tr 112:36 S 12 '59

FOREST products research

Vancouver forest products laboratory opening...
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FOREST taxation

Should Ottawa ease taxes on our forest operators?
J.G. McDonald. Fin Post 53:20 Ja 31 '59

FORESTERS

Institute surveys foresters. Fin Post 53:58 S 19 '59

FORESTS and forestry

Some reflections on the past year... D.D. Lock-
hart. Timber Can 19:26-7,29 D '58

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B.C. logging companies increase interior cuts. Fin
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Big timber in the far North. K.W. Horton. il
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Economy wave in our woods. Fin Post 53:11 Mr
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Message to CFA members. B.F. Avery. port For
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Manitoba

Forest resources of northern Manitoba. J.D. Hunt.
il map Timber Can 20:42,44-6 J1 '59

Production volume decreasing. L.F. Earl. il West
Bus 33:34-5 O '59

Vegetation map from the southern spruce forest
zone of Manitoba; with French summary. J.C.
Ritchie. fold map bibliog Geog Bul no 12:38-46
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Newfoundland

Newfoundland reports for 1958. il For and Out-
doors 55:26 Ja '59

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Forest industries trim costs. Fin Post 53:66 S 12
'59

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GREATER Winnipeg gas company

Gordon Osler new president of Greater Winnipeg gas Company. Oil in Can 11:39 My 18 '59

GREATER Winnipeg transit commission

No more cold feet at Portage and Main? 11 map tab Can Transp 62:42-4 My '59

Traffic congestion continues to grow in Winnipeg: plans being prepared for one solution: rapid transit. Can Transp 62:48 Mr '59

Winnipeg transit PR program keys rider contests to ads. Mktg 64:36 My 22 '59

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GUTHRIE laboratories limited

What happens to spices before you see them. 11 Food in Can 19:17 Ja '59

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"Automobile" cooling rescued grinding job. diagr Can Mach & Manuf N 70:68 Mr '59

How to calculate lot sizes for through-feed centreless grind. R. Paulson. 11 graphs Can Mach & Manuf N 70:78-9,138 My '59

A metallurgical approach to grinding ball production. J.G. Underwood. 11 tab graphs Can Min & Met Bul 52:312-17 My '59

GROCERY manufacturers of Canada

Are grocery manufacturers organizing...to meet might of supers. Mktg 64:1,47 Ap 10 '59

GRANT, J.W.

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J.B. Prendergast was appointed president. port Plant Adm 19:102 Ap '59

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HARGIS

Long spans give handling problem. 11 diagrs Eng & Contr Rec 72:86-90 F '59

HARRIS, John Jeffery

John Jeffery Hanna, president, the Engineering Institute of Canada, 1959-1960. port Eng J 42:125 My '59

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Automatic hardsurfacing can pay if the job and equipment are right. R.G. Allison. 11 tab Can Mach & Manuf N 70:56-8,86 Ja '59

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Chrome surfacing cuts cost in B.C. H. Turney. 11 Can Lumberm 79:32-3 F '59

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The hardwoods and forest management; editorial. Pulp & Pa Mag Can 60:65 Ja '59

Pulp production with sodium bisulphite. Part II - hardwoods. R.M. Dorland, R.A. Leask and J.W. McKinney. tables graphs bibliog Pulp & Pa Mag Can 60:137-49 F '59

HARDEE farms international limited

Vegetable growers, packers form international group. Mktg 64:3 Mr 20 '59

HARDIFOAM products limited

J.W. Hardie...president. Chem in Can 11:12 Ap '59

HARDING carpets limited

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How an \$80 investment halved analysis time, doubled output. A.G. Roberts. 11 Off Equipm & Meth 5:14-16 Ja '59

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HEALTH magazine (periodical)

Pharmacists' goodwill plan can boost mag distribution. Mktg 64:46 Mr 20 '59

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Exploration aircraft. N. Armstrong. 11 port Can Oil & Gas Ind 12:50-1 Ja '59

Supervision extended by helicopter. 11 Eng & Contr Rec 72:122-3 Mr '59

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Personalities in the supply trades. Roscoe Hill, vice-
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Hamilton, Ont. J.M. Merriman. port Can Text J
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Hill-Clark-Francis sets up credit subsidiary. Eng &
Contr Rec 72:154 F '59

HSTING machinery

Power parts in hoists don't mind rough treatment. 11
diagr Can Mach & Manuf N 70:80-1 Mr '59

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HOCCELLULOSE

Isolation of holocellulose from jack pine (pinus bank-
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The Montreal oil pipe line project. R.A. Brown, Jr.
port map Oil in Can 11:50-2, 54 Mr 23 '59

HSES

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HTON steel works limited

G. Asplin, president. Can Mach & Manuf N 70:120
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Some developments in sock manufacture. 11 Can Text
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Labour today. Shorter week, job security upcoming.
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Industrial editors hear opinions. When to run your
rival's story. Mktg 64:14 My 29 '59

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home that's not for sale. 11 Mktg 64:13 Ap 3 '59

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The cost of housing. R.F. Legget. tables Eng J 42:
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Edmonds. Mktg 64:16, 18 Ap 10 '59

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expansion. J.K. Edmonds. port Mktg 64:16 Je 12
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J.K. Edmonds. port Mktg 64:12 My 1 '59

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Ap '59

HOWDEN, James, and company of Canada limited

Custom plate work in new shop uses mass production
methods. 11 Can Mach & Manuf N 70:89-91 Je '59

HOWE, Clarence Decatur

Our man of the year... Clarence Decatur Howe. Re-
sults are what count. A. Phillips. 11 Trade &
Comm 53:8-9 Ja '59

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Saturation geophysical exploration. A.A. Koffman, R.
MacTavish and others. 11 maps diagrs Can Min &
Met Bul 52:49-54; Discussion. A.C. Skerl, W.S.
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HUDSON'S BAY oil and gas company limited

R.C. Brown resigns as H.B. president... G.T. Pearson
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HUMAN relations

The human relations factor in business. R.D. Archi-
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Obituary. John Samuel Hunter. Eng J 42:75 Ja '59

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Students hot prospects for new guns and rods. tables
Mktg 64:22 Mr 27 '59

HUSBAND, Harold

Man of the month. Harold Husband. Our ensign needs
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Hydro planning on Whitedog-Caribou. 11 tables diagr
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Ash River to boost B.C. output. 11 Mod Pwr & Eng
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11 Eng & Contr Rec 72:19-20 Ja '59

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Power production and distribution. 11 tab graph Eng J
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J.A. Thomas and R.E. Grout. 11 map tab diagrs
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Newfoundland

First contracts for Brinco's Hamilton scheme in 1959.
11 map diagr Eng & Contr Rec 72:22 Ja '59

COMMISSIONER JOHNSTON: Mr. Brown, I am taking your last comment and taking in my hands as far as the Royal Commission is concerned to ~~say there~~ will certainly be no recommendations that could in any way be construed as preventing the free circulation of publications of any language having to do with scientific and medical matters or anything of that kind.

THE CHAIRMAN: Mr. Brown, just for the sake of the record you spoke of the Committee of the Privy Council. Did you mean the Massey Commission?

MR. BROWN: No, I must admit I stole that from the preliminary brochure which was put out by your Commission, giving it authority for its activities. It is quoted from the Terms of Reference.

THE CHAIRMAN: It is quoted from our Terms of Reference?

MR. BROWN: From your Terms of Reference.

THE CHAIRMAN: Is there an increasing demand in libraries for these periodicals you have been mentioning? Has there been any in recent years?

MR. BROWN: In Periodicals in general?

THE CHAIRMAN: Yes.

MR. BROWN: There is always a great demand for periodicals in libraries since they are the one means by which information is found quickly, up to date information is found quickly so the

periodicals are very much the stock and trade.

THE CHAIRMAN: By students and people of that kind?

MR. BROWN: Students, certainly, if the term is interpreted rather broadly.

COMMISSIONER JOHNSTON: And by public relations firms doing their research.

THE CHAIRMAN: These indexes go to Europe, do they?

MR. BROWN: Yes, the Canadian Indexes are subscribed to by any library that wishes to purchase them.

THE CHAIRMAN: And to the United States?

MR. BROWN: Certainly, yes sir.

COMMISSIONER BEAUBIEN: What is your budget?

MR. BROWN: For the Canadian Index?

COMMISSIONER BEAUBIEN: Yes.

MR. BROWN: I will have to ask Mrs. Morton.

MRS. MORTON: \$16,000.00.

COMMISSIONER BEAUBIEN: How do you get your funds?

MRS. MORTON: The funds are from subscriptions except for \$4,000.00 which is a grant received from the Canada Council. In addition to that the National Library produces the Annual **Accumulation**. The Annual Accumulation costs in the nature of \$3,000.00 so that the total budget would come to about \$19,000.00.

COMMISSIONER BEAUBIEN: You said that you

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

RESEARCH REPORT

NO. 100

BY

DR. J. H. HARRIS

AND

DR. R. M. HARRIS

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got some funds from subscriptions.

MRS. MORTON: Yes, it is sold to the libraries on a subscription basis. It is sold on what is known as a service charge, which means that the small library in Canada pays \$12.00 a year for it and the large library pays as high as \$250.00 annually. The basis for that being that the large library makes more use of it. The number of subscribers is low. It is under 400.

COMMISSIONER BEAUBIEN: There must be a very good understanding between Toronto and the United States if you split the work?

MRS. MORTON: It is split between Toronto and the Canadian Library Association. The American Index existed before the Canadian Library Index started. We could not persuade the American Index to include the magazines which the Canadian Libraries needed and therefore it became necessary for us to do our own indexing.

THE CHAIRMAN: Thank you very much for a very helpful presentation.

--- A short recess.

--- Upon resuming at 4:00 p.m.

THE CHAIRMAN: Is Mr. Leggett present?

Mr. Leggett not being present this Commission adjourns until 10:30 tomorrow morning.

---Whereupon the Hearing adjourned at 4:03 p.m.

